 <p>CITY OF YORK COUNCIL</p>	
<p>Executive</p>	<p>6th July 2010</p>
<p>Report of the Chief Executive</p>	

More for York - Organisation Review - Phase 2 - Assistant Director Level

Summary

1. This report presents a proposal, and recommendations to the Executive for restructuring of roles at Assistant Director level across City of York Council (CYC).
2. The objectives of the proposal are to deliver:
 - A smaller, strategic senior management team, focused on delivering:
 - A more responsive service at neighbourhood & community level.
 - Services that respond to an ever-changing population, and that are designed around customer needs.
 - An improved citywide approach to securing economic prosperity for the City of York.
 - A strengthened commitment to partnership working and integration of service provision with partners.
 - The flexibility to respond and adapt to changing central government policy.
 - Agreed savings of 1.658m net (2.293m gross).

Background

3. In July 2009 the Executive commissioned the development of a set of blueprints for the More for York programme, including an organisation review blueprint. The objective of the organisation review blueprint is to create a management structure for CYC that will deliver the priorities of the Council and deliver 2.293m gross savings. The Executive asked for:
 - A full review of senior management structures, ensuring we are fit for purpose and able to deliver services of the future.
 - A review of potential centralisation of all support services.
 - Rationalisation of levels of management to give clear focus and reduce costs.

4. In December 2009 the Executive approved phase one of the organisation review i.e. the establishment of a new organisation structure for CYC. From the 1st April 2010 there are four Directorates:

- Customer & Business Support Services
- City Strategy
- Communities & Neighbourhoods
- Adults, Children and Education

CYC is now managed by a Corporate Management Team of four Directors and the Chief Executive, a reduction of 33% in Director posts, and a saving of £242k per annum gross. This left a balance of £2.051m gross savings to be found from the remaining four tiers of management (337 posts).

5. Phase two of the organisation review has focused on the management structure at Assistant Director level and has been conducted along the same lines as phase one, i.e.

- Appraisal of the City and the Councils priorities both now and in the future.
- Appraisal of strengths and weaknesses of the current structure against these priorities.
- Consultation with staff, Members, partners, regulatory bodies, trade unions.
- Research and benchmarking across LA's.

6. Since the organisation review blueprint was commissioned significant changes have taken place in the fiscal and policy context for local government, which affect what CYC is required to do by central government, and the funding which is available from central government for delivery of services. In year reductions of funding - for 2010/2011 - have been announced and forecasts for reductions in future years funding for the public sector vary between 3% - 7.5% per annum for the period 2011 - 2014. Central government is moving to deregulate public service delivery and localise decision making and has already approved the abolition of:

- Regional Spatial Strategy
- Regional Development Agency
- Comprehensive Area Assessment

with immediate effect, signalling a move to a smaller public sector and local control. These significant shifts have been taken into account in framing the second phase proposals of the organisation review. The priority to protect front line service delivery and sufficient operational management to guarantee quality of service delivery remains.

Consultation

7. Extensive consultation on phase two of the organisation review has taken place in May & June 2010. This feedback has shaped the proposal and the recommendations.

Consultation has taken place through:

- Assistant Director group & individual sessions
- All staff group and individual sessions
- CMT workshops and individual sessions
- Briefings with Leaders & Executive Portfolio Members
- Briefings with Trade Unions
- Submissions received by e-mail or in writing
- Discussions with partners including
- Discussion with the regulatory bodies

8. Consultation was framed around ideas and thoughts put forward by Corporate Management Team (CMT) in a set of documents. These documents presented initial thinking around groupings of services around the Assistant Director Posts. (Appendix 1)

9. Key findings from the consultation are:

10. *Overall* - Staff want to be involved in the whole organisation restructure now and in the future. We need to keep the channels of communication, ideas and thoughts open. Broad support was received for all areas under review, and a clear message there should be no exemptions and all layers should be reviewed. There was appreciation from partners at being included in the discussions and having access to the documents.

11. *Chief Executive* - Staff want to be involved in shaping what the new Directorate looks, feels and operates like. There is an understanding that the next stage of the review - stage three for grades 10/11/12 - will be where the changes are made, and they want to be fully involved in this.

12. *City Strategy* - General support of proposals, there was particular support for bringing together the Development Management Team. Feedback indicated a need to address highway safety and the bringing together of teams on sustainability and carbon reduction. Widespread support for bringing together projects under one single block to improve the consistency and performance on key projects.

13. *Communities & Neighbourhoods* - General support for suggested groupings of services. A strong view that parks and open spaces should remain closely linked to other culture based services. Trade Unions have not responded formally but have expressed an acknowledgement of groupings, together with concern over the reduction in ADP. Partners provided acknowledgement of groupings. Concern was expressed about maintaining links and joint working between Adult Services and Housing, and also balance with the broad culture offer.

14. *Adults, Children and Education* - Cross Directorate support being in place for main proposals. Trade Unions whilst not formally responding have also expressed general support for the approach being recommended at Directorate consultation meetings. Partnership forums and specific partner representations have provided contributions, which will support future implementation.
15. *Customer & Business Support Services* - Feedback acknowledged that structures within CBSS are under blueprint. Strong support to retain focus on key areas of Customers, Finance, HR and Legal. Support for Creditors to move from Customer Finance to Finance. The Audit Commission has no firm views, other than it sees a need to retain the key professional disciplines in whatever structure prevails.
16. *General* - Corporate functions and Directorate based services need to work collaboratively.

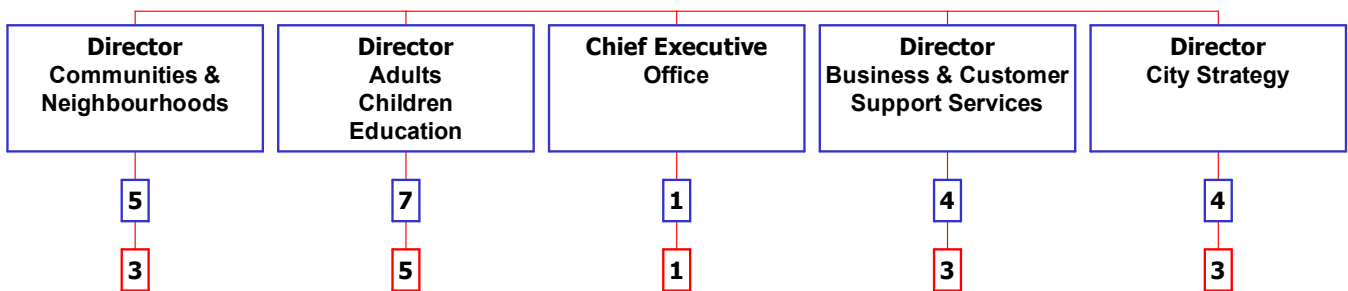
Benchmarking

17. Information was obtained on senior management structures for comparison from a range of authorities.
18. *City Strategy* - Six councils were considered, all northern unitary councils most of whom had recently reorganised - Cheshire West, Cheshire East, North Lincs, Hartlepool, Sunderland and Durham - The number of Assistant Director posts varied from three to six, dependent on actual responsibility in the Directorate differences in numbers varies as to whether Housing and Waste Services were included or not.
19. *Communities & Neighbourhoods* - Comparison with other authorities has been useful, and has challenged thinking but has also made it clear that structures are dependent on particular context and circumstances.
20. *Adults, Children and Education* - An increasing number of authorities have a combined Adults, Children and Education portfolios. Comparison is difficult given the lack of consistent language used in describing structural arrangements. Other authorities which have gone down this path range in scale from large counties to small unitaries. The level of integration of adults and children's functions varies considerably. The feedback from authorities that have directly encompassed health functions is mixed.
21. *Customer and Business Support Services* - The general theme is that most authorities have a clear and senior lead for HR, Finance and Legal. In many cases ICT has its own highly visible lead. Customer Services varies in different Councils, in terms of scale and structure. Comparisons have focused upon Councils who are recognised as high performing, are unitary, and where possible have recently restructured themselves.

Proposal

22. The Corporate Management Team have spent time together developing their proposal; assessing what is required for CYC to be able to deliver its priorities in the current financial and policy environment. This with the consultation and benchmarking has produced one proposal, which responds and satisfies the objectives set for the organisation review.
23. The structures below Assistant Director level will be developed once the Assistant Director is appointed.

To following is the proposed Assistant Director structure:



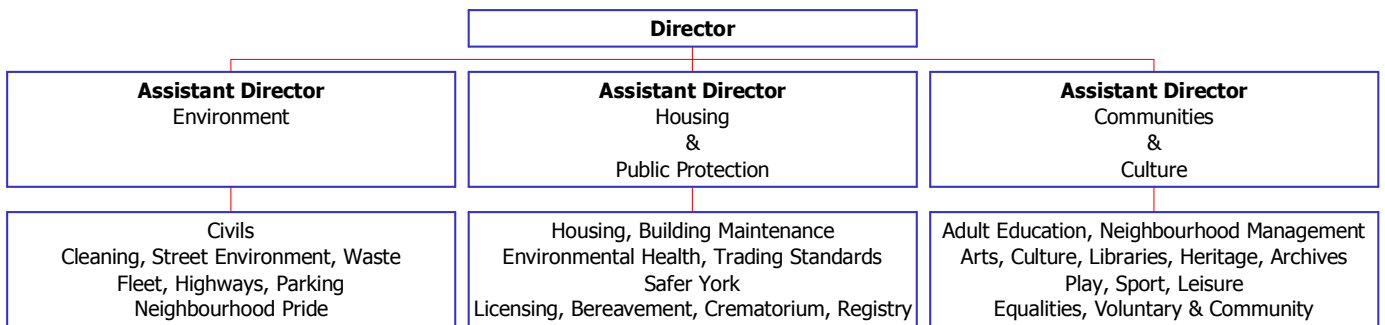
24. This proposal delivers a smaller team with a reduction of six Assistant Director posts from a pool of twenty-one; this is a reduction of approx. 28%.
25. *Chief Executive Office* - There is one Assistant Director responsible for Policy, Performance and Partnerships; the post holder will work closely with the Assistant Directors in Customer and Business Support Services.



26. *City Strategy* - There are three Assistant Directors, responsible for Economy & Asset Management, Strategic Planning & Transport, Planning & Sustainability. This delivers a saving of £85k.
27. The service areas reporting into these posts fit into clear groups.



28. *Communities & Neighbourhoods* - There are three Assistant Directors responsible for Environment, Housing & Public Protection, Communities & Culture, including Equalities, previously in Chief Executive. This delivers a saving of £170k.



29. *Adults, Children and Education* - The statutory roles of Director of Adult Social Services and Director of Children's Services were established through legislation and sought to ensure clear leadership and lines of accountability for such services. There are to be five Assistant Directors, delivered over two phases. One to be delivered in line with the other Directorates in December 2010. The second to be delivered by April 2012 by further consolidation internally or through the health partnership. This will deliver a saving of £170k.

30. The interim six portfolio model delivers:



- **Adult Assessment & Safeguarding:** a portfolio responsible for the timely and quality assessment and review of all groups of adult users and their carers, and the development of care and support packages which successfully address holistic individual need, and for the safeguarding of all adult groups
- **Adult Provision & Modernisation:** a portfolio responsible for the provision of high quality home based support, day and residential care services and which leads the modernisation of those services in line with customer opinion and best practice;
- **Integrated Commissioning:** a portfolio that will ensure that outcomes achieved by statutory services and non statutory, in house and external, are of the highest possible quality, at the best possible price, and which address both locally assessed need, future demographic patterns and key strategic priorities. This portfolio will also take the lead with external partners in the health community and elsewhere, and will incorporate the Children's Trust, Adult Commissioning and the DAT;
- **Children with Specialist Needs:** a portfolio that focuses on the most vulnerable children and young people - children in need of safeguarding, direct protection and planning for future care arrangements. In addition the service covers those with significant additional needs arising from particular disabilities;

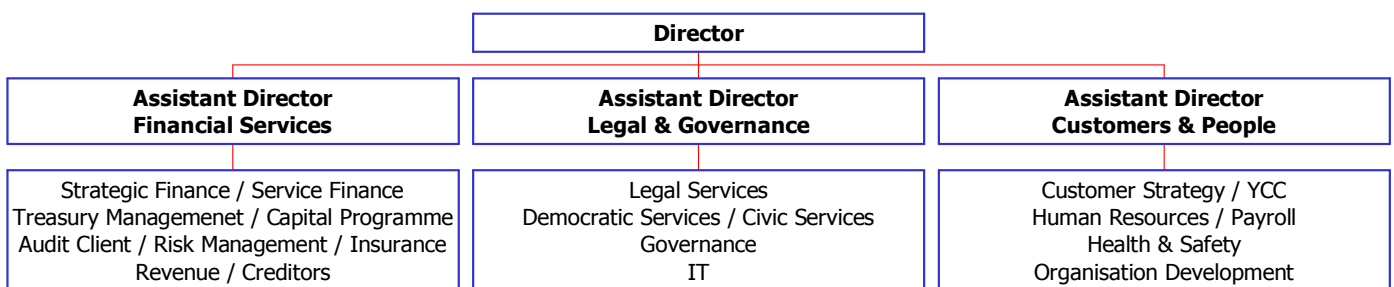
- Education: a portfolio responsible for ensuring that our early years settings, schools and post 16 provision across the city provide the best possible educational outcomes for all our children and young people and that barriers to progress are effectively addressed;
- School Planning and Organisation: a portfolio responsible for the planning and organisation of school places and school admissions, ensuring that capital investment reflects strategic need and local priorities. The portfolio will also provide or commission a range of services supporting schools and the wider directorate. The portfolio will also lead on key Directorate based business continuity, management information, performance, health and safety, industrial relations, complaints and risk management functions.

31. Over the next twelve months a further review of the Directorate will take place, including:

- Assessing joint opportunities around further integration between health and social care
- The nature of future adult services provision
- The location of Community Health Services
- The future of building schools for the future
- The future impact of Academies

32. *Customer & Business Support Services* - The proposed structure is below and delivers three Assistant Directors. The proposal brings together responsibility for Financial Services, Customers & People and Legal & Governance. This delivers a saving of £85k.

33. The four Corporate Assistant Director (3CBSS + 1 CEX) will work together to propose the detailed structure underneath to ensure there is a strong framework in place to deliver the support the organisation needs.



Analysis

34. The delivery of this smaller strategic management team delivers a 28% reduction in posts, together with the already delivered Director reduction of 33%. To complete the organisation review a 9% reduction in management at grades 10/11/12 will be required.

35. There will be a need to support the new management team through the cultural change required to deliver a senior strategic management team with operational management given greater responsibility for decision making in the provision of services for CYC.
36. Chief Executive - Will ensure cost effective focus on delivery of CYC's priorities, and support Elected Members at Leaders of the City.
37. City Strategy - The new portfolios support a citywide approach to securing economic prosperity for the City of York.
38. Communities & Neighbourhoods - New portfolios support a more responsive service at neighbourhood and community level.
39. Adults, Children & Education - Delivering a two phase approach will allow the organisation to respond to the changing demographics of the City, new policy from new government, and changes across partners.
40. Customer and Business Support Services - The Executive has already brought together these services under one Directorate, the creation of these portfolios takes that to the next level.
41. The Councils approach to managing major capital projects has previously been identified as needing strengthening. This has been further emphasised through the staff consultation process. It is therefore proposed to investigate this further and bring another report to Members with options for addressing this matter.

Corporate Priorities

42. The above proposal offers a strong framework for delivery of the corporate strategy.

Implications

Financial

43. The organisation review has a target of £1.6m net saving, this equates to £2.3m gross taking into account redundancies and release costs. The new Assistant Director Structure will deliver a saving of £510k per annum gross. Together with the savings already made of £242k at Director level the balance of £1.5m gross savings will be made from the remaining three levels of management (grades 10/11/12).
44. As a result of the proposal it is anticipated that the regarding of some posts will need to take place to ensure the proposed structure will operate effectively.

45. The cost of this will be managed within the existing budget and as a result of this we would recommend you delegate authority to the Head of Paid Service to determine grading arrangements.

46. As per the report to the Executive on 15th December 2009, 33k per annum (for a duration of three years or until the organisation review is complete) has been approved for the retraining and redeployment of staff.

Human Resources

47. All implications will be managed through the corporate Assessment of Change Process.

48. An important part of this process is the consultation. All staff directly affected have been given the opportunity to discuss ideas and thinking in groups and on an individual basis. Further to this all directly affected staff have been taken through the assessment of change process and given the opportunity to go through it in more detail on an individual basis.

49. Staff have also been offered individual one to one external coaching, developing and mentoring support.

Equalities

50. The organisation review will comply with all Equalities And Employment legislation. The new job descriptions will include a core competence in relation to equalities.

Legal

51. The Monitoring Officer post is governed by S5 Local Government and Housing Act 1989. This requires every authority to designate one of its officers as Monitoring Officer in order to carry out a range of functions under the Act. There is no qualification requirement but the monitoring officer cannot be the Head of Paid Service. There is nothing in the legislation, which specifies at what level the monitoring officer should be appointed.

Crime and Disorder

52. No implications

Information Technology

53. No implications

Property

54. No implications

Other

55. No implications

Risk Management

56. As with any big change there is a risk that focus and energy of staff is distracted and the uncertainty can lower morale. To support staff through this time of change it is important we follow the agreed Assessment of Change process and that we work to clear timescales it is important to take the time to make the right decision, alongside that of moving at a pace that does not prolong any period of uncertainty. That we are in constant conversations with staff about what is happening now and next.

Recommendations

57. Members are asked to approve the proposals put forward for an Assistant Director structure with functional responsibilities as determined in the body of the report.

58. Members are asked to note that the new Assistant Director posts will require grading through the Council's agreed grading structure, this is to be delegated to the Head of Paid Service.

59. Members are asked to approve the proposal to bring a further report with options to address the overall management of key capital projects.

Contact Details

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For further information please contact the author of the report	

Specialist Implications Officer(s)

None

Background Papers

None

Annexes

1. Adults, Children and Education Consultation Paper
2. City Strategy Consultation Paper
3. Communities & Neighbourhoods Consultation Paper
4. Customer & Business Support Services Consultation Paper
5. Office of the Chief Executive Consultation Paper