

Annex 4

Customer and Business Support Services Directorate

Ways of Working in the Future

From the Director of Customer and Business Support Services

Introduction

1. This consultation document is aimed at a range of audiences, both internal and external to the directorate. I am launching it with the purpose of initiating dialogue about the future structure and operating practices of our new directorate. I am keen to hear your feedback, and happy to discuss matters directly, and all comments received as part of this consultation will be non-attributable in any future reports.

Context

2. 1 April 2010 saw the establishment of four new directorates within the City of York Council (CYC). This paper concerns itself with the high-level structure of one of those new directorates – Customer and Business Support Services (CBSS). This directorate brings together a range of business support activities such as HR, finance, ICT and legal and democratic support, together with frontline customer services activity. As important as structures to the future success of the directorate will be the way in which we work together through our operating practices, culture and approach.
3. The organisational review of CYC was approved by the Executive of the council in December 2009 as part of the More For York programme. It was always clear that the movement from 6 to 4 directors was to be followed by further management efficiencies across the tiers of directorate structures. This paper deals only with the proposed structure at senior levels of the directorate and in particular Assistant Director portfolio arrangements. This reflects both the need to act quickly to achieve efficiencies but also to provide early leadership of restructurings that need to occur at other levels within the new organisation.
4. Following this phase of the organisational review, a further phase will look at management levels below Assistant Directors. As you may be aware however, in many areas of CBSS there are existing reviews of structures as part of the More for York programme. Wherever possible it is my intention that there will only be one restructure in a service area, which meets the needs both of the individual service review already happening and the organisational review.
5. Whilst each director is consulting separately, feedback from all consultations will be reviewed and lead into recommendations on the collective structure of

all four directorates plus the Office of the Chief Executive to go to Council Executive on 6 July.

6. The discussion here is around the ways in which we can group our functions and deliver the services required to drive the council forward. This should not be seen as referring to the position of specific individuals who will be subject to formal consultation at a later date as part of the management of change programme.
7. In looking at options for the future, I will be taking the opportunity to:
 - look at the structures from other similar and high-performing authorities. However, I am already aware that different models operate in different authorities and therefore we will need to not get too focused on any one individual authority but more the general themes that emerge from comparisons
 - reflect on the impact of other workstreams of the More For York programme and, in particular, the impact on directorate structures of implementing a more centrally managed set of support services.
 - consult on modifications to existing portfolios in the light of experience and the future demands on our service.

CBSS

8. The newly formed CBSS directorate brings together a range of business support activities such as HR (including Health & Safety and Organisation Development) , Finance, ICT and Legal, together with frontline Customer Services activity including Housing Benefits and the Council's Contact Centre. These services are all key to the success of the Council in delivering both major projects and improved efficiency, and in the delivery of day-to-day services.
9. The services carry with them various statutory duties and, at a time of significant change, will be crucial to allow the Council to move forward, through support for a range of activities. In addition to providing the foundation of the council's governance structures, they form key aspects of Use of Resources and the Organisational Assessment within CAA. The directorate includes two statutory posts, namely the Chief Finance Officer (which is myself) and the Monitoring Officer (who is currently the Head of Legal and Democratic Services) which may be relevant to the consideration of any structural models.
10. The pressures in terms of the financial climate will put significant pressures on areas of the Directorate, including need for significant financial advice, HR support and advice, cultural change and the need to deal effectively with a range of Customer issues, both in terms of service delivery and also financial aspects (e.g. both the number of benefits recipients and customers with potential problems around payment of bills increases during a recession).

11. Specific descriptions of the challenges faced within service areas are given below. It is accepted that each has an ongoing operational requirement, but the focus here is around those aspects which will go beyond this to create specific challenges beyond business as usual.
12. **Customer Services** – There has been agreement as part of More For York to move towards a consolidated Customer Services division, dealing with the full range of customer contact. At present, customer telephone contact for Communities and Neighbourhoods, Planning, Council Tax and signposting are dealt with through the York Contact Centre (YCC). YCC now has a developing Face-to-Face function, bringing together all reception areas in the council under one structure along with the Housing & Council Tax Benefits function. This activity is planned to increase over the next year to include face-to-face, telephone and internet access for all council services. This presents significant leadership challenges and will require senior management skill and capacity to drive forward changes, ranging from delivering our overall Customer Vision and Strategy, to ensuring effective resolution of day-to-day customer issues, for example, responding to street services issues, and handling of council tax and benefit issues.
13. The availability of more and flexible access channels to council services will increase demand on our customer services over the coming years, and the service requires effective leadership to respond to this whilst implementing the consolidated model, including implementing corporate customer standards, behaviours, centralised complaints procedures, customer insight, channel shift planning for the move to the new council offices and working more in partnership to deliver effective and efficient customer services.
14. **Financial Procedures** - There are key challenges for the financial procedures function in centralising the currently devolved income, recovery and creditors services to provide efficient and co-ordinated corporate systems and teams.
15. The difficult financial situation is likely to lead to an increase in the numbers of customers struggling with payments, and the need for a greater emphasis on flexibility whilst ensuring continuity of income for the council.
16. The Assistant Director role currently provides the Governance lead on all of these financial systems (in addition to Benefits and Council Tax outlined in Customer Services above) and delivers the Income and Debt Policies on behalf of the Council.
17. **Financial Governance** -The portfolio has recently been slightly reduced by the transfer of the Performance & Policy function to the Office of the Chief Executive, but retained financial governance roles which include the client role for the shared internal audit, counter fraud and information governance service (Veritau Ltd), responsibility for promoting and monitoring compliance with the

Financial Regulations and Contract Procedure Rules and officer interface with the Audit & Governance Committee and associated workstreams. The level of change within the council brings new risks which puts increasing responsibility on identifying and managing these.

18. **Financial Services** – Through the Finance Blueprint, the consolidation of financial support services from directorates and corporate teams into a single service creates a distinct cultural change which will need to be managed effectively whilst maintaining support to key stakeholders across the organisation.
19. The focus on efficiency and reduced spending puts higher demand on financial information and advice. The service will need to react to this increased demand, whilst adapting processes and procedures around the consolidated model.
20. Using the key principles set out in the Audit Commission paper 'World Class Financial Management', Financial Services will adopt best practice in order to meet the changing demands of the council and the city, enabling the prioritisation of resources to focus on the authority's strategic aims.
21. Given the continuation of tight financial settlements, Financial Services will itself need to become more cost effective whilst maintaining a professional, flexible and appropriate level of support to key risk areas across the Council.
22. **Information and Communication Technology** – undergoing a similar consolidation, the ICT service has an ongoing challenge to provide high quality support of all corporate systems, whilst undergoing a restructure and associated move to a new operating model.
23. The service must also support the implementation of new systems to facilitate efficiencies in processes across the council. In particular, the MFY streams rely heavily on technical solutions to automate and streamline business processes. The agility and responsiveness of the ICT service in supporting change is critical in the success of several MFY blueprints.
24. ICT has a significant role to play in the accommodation review and subsequent migration into the new HQ. ICT will be designing, installing and supporting the agile and flexible ICT infrastructure within the new HQ, which is necessary to facilitate smarter working and enable the support the move of all the Services that will be delivered there.
25. **Human Resources** – The HR service is undergoing a significant transformation in the way it supports the business. Consolidation of the function is delivering a more consistent and cohesive service across the council, which will be embedded and improved over the next 6 months and

beyond. New systems and processes are being implemented which directly improve the interfaces between staff, managers and HR.

26. The More For York programme places unprecedented demand upon the HR and the Organisational Development function. The current More for York Transformation programme will require culture change and result in significant impacts on staff and jobs on a scale that York, to date, has never experienced. HR must lead and support this in a consistent and precise way to prevent risk for the council and provide the best support for our people. Alongside this is an increased emphasis on organisational development and the behavioural and cultural changes which are necessary to drive the organisation forward.
27. The leadership and delivery of the Workforce Development plan rests with HR and this will directly impact the council's ability to deliver sustained change and efficiencies. The strategic management and delivery of improved Health & Safety practice is similarly critical and requires strong leadership to influence the work of managers across the council.
28. **Civic, Democratic and Legal Services** – There are significant pressures on legal services to provide detailed advice on a greater range of activities. Specifically, the need to maximise efficiency within procurement places an emphasis on a higher volume of advice within commercial contracts.
29. The management balance is towards specialist professionals within Legal Services, with more generalist managers within Civic and Democratic Services. Specialist expertise are essential in minimising legal risk, whilst effective management of the democratic processes are critical for the ongoing operation across the council.
30. From the above, it is clear that there are some specific challenges within CBSS which a new structure must address. Specifically:
 - a. There is a significant range of professional disciplines which require specialised leadership. Creating generalised groupings of functions can create risk if the professional expertise related to the services are not represented at management level. This is particularly acute during major change programmes, where the need for high quality financial, HR and legal advice is essential.
 - b. The Customer Services area provides the customer front door to the full and increasing range of council services. There is rightly greater emphasis on this service delivering and needs to become an even more visible part of what we do. Given the public impact and interest in this function, this area carries significant reputational risk if not properly managed and resourced.
 - c. The corporate nature of the services provided mean that their performance has a critical effect on all other directorates. Driving

forward improvements in our services will support improvements across the council. Conversely, any failure in our services will impact across all service areas.

- d. The current changes are set in the context that an AD post (Public Services) was removed from Resources 18 months ago. This has created pressure as we have grown as a directorate though the consolidation of support services as part of the More for York programme. The creation of the new directorates has also seen the movement of an AD post to the Office of the Chief Executive but we have retained the ICT function. The Procurement function will also return to CBSS when its transformation process is complete.

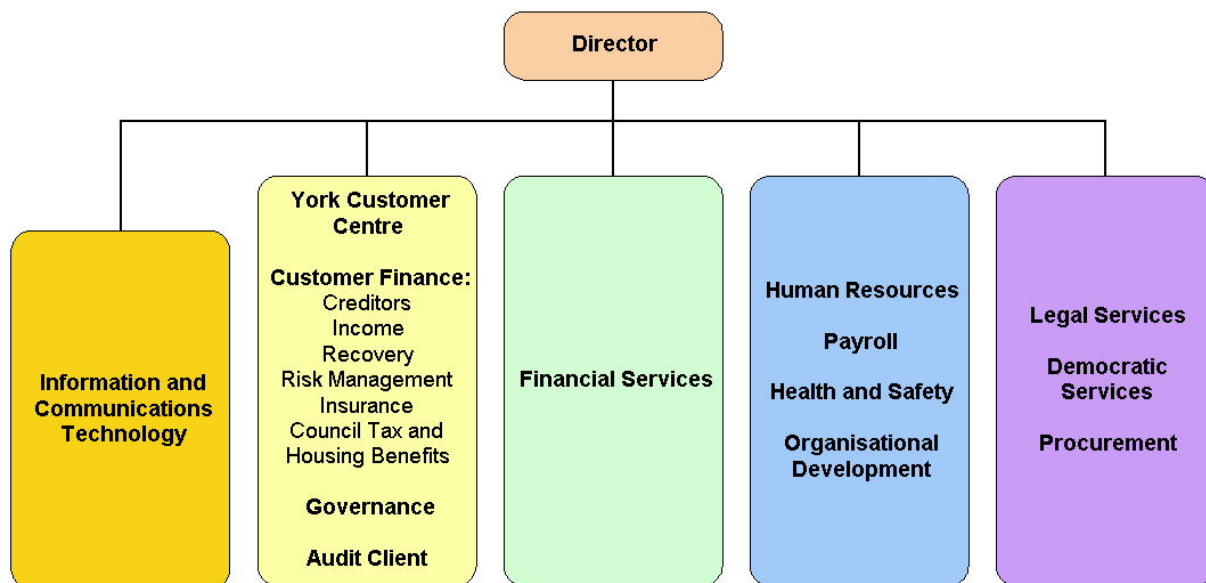
Building a new structure

31. When considering a new structure, we need to look at how the service areas above can be grouped and managed in the most appropriate way. Questions being asked include:
 - a. Where are there similarities in services?
 - b. Which specialist skills are needed at leadership level within the Directorate?
 - c. Which service areas can or should work closest together?

32. The key purpose of this consultation is to gather views and opinions on how services can operate together in the future – not to present a finished structure. Thinking along these lines, there are clearly many options that can be considered, and this paper sets out some initial ideas.

33. In recognition of the significant demands facing the Directorate, and the issues raised in preceding paragraphs, an option is to take forward a structure based around 4 AD portfolios, in addition to ICT. The diagram below is an **example** of how the portfolios could be formed. Alternative suggestions are also given below. I should stress that this base option is merely a starting point for illustration – it does not confer any preference at this stage for any model over others.

34. The diagram on the next page shows 4 AD portfolios, with ICT reporting directly into the Director.



35. Customer Services, Finance and HR are each shown as a main portfolio. This would provide the visible leadership needed to drive the changes happening within these services, alongside the critical support they are providing to all directorates. Legal and Democratic services is also shown as a portfolio. This reflects the statutory responsibility, as well as the need for this to be a high-profile support service across the council.

Options and Issues

36. Since the formation of the new directorate structure, **Procurement** has moved across under the Chief Executive's Office alongside the More For York team whilst significant change is implemented in terms of how we provide the procurement function. Once the transformation is complete, the service will transfer back to CBSS, which is anticipated to be later in 2010. This could sit within a portfolio together with Legal and Democratic Services. There are currently close relationships between procurement and legal services and this arrangement would strengthen the links. Similarly, there are strong links between Procurement and Financial Services, so there would be an alternative of positioning these functions together.

37. **ICT** is shown as reporting directly to the Director. Similar to the other services, this gives it good corporate visibility and underlines its position as a critical business function. It could, however, be placed within an AD portfolio, perhaps including it within the Customer Services portfolio, or alongside Finance or HR.

38. **Governance and the Audit Client** function is shown within Customer Services (where it currently sits). There are, however, strong links with Finance Services and with Legal, and one option would be to move this activity to either or both of these portfolios.

39. **Customer Finance** is shown within Customer Services, as there are clear links between the function of customer services and the financial transactions being carried out. There is also a clear link between Customer Finance and Financial Services, which suggests an option to place these services together.
40. In all possible models, I would need to take a view about the relative balance of portfolios so as not to overload any one AD post as clearly that would lead to risk of non-delivery.

Consultation Questions

41. I am interested to hear all feedback related to the future of the directorate. Responses around the following questions would be particularly useful in the further development of options. Please don't feel you have to complete all questions, or be concerned if one response encapsulates several questions – it is the feedback we welcome. Responses are welcomed from individuals, teams, or any other groups.
- a. What historic challenges, both internal and external, would you wish to see the new directorate addressing?
 - b. Do the portfolios presented above make sense to you? What would you do differently?
 - c. Can you see opportunities for combining any portfolios to create a Directorate structure around fewer portfolios?
 - d. Do any of the suggestions help to address the challenges of the directorate?
 - e. What other comments would you wish to make which will assist decision making on the structure and culture of the new directorate? What do we need to ensure is retained? What do we need to do differently?

Consultation Process

42. The Consultation Period will run from 7 to 25 May. During that period there will be:
- A sharing of this document with all staff
 - Access to a discreet response mailbox
 - Two sets of staff sessions with Director
 - Discussion within key stakeholders and partners
 - Opportunity for you to contact myself directly on any matters

43. As feedback is received through this consultation, detailed consideration will be given to how the individual services will operate in the future. In many cases, this is already underway through the individual blueprints and will help to inform the next phase of the Organisation Review.

44. Consultation is already taking place or planned with:

- a. unions
- b. elected members
- c. all Assistant Directors in CBSS
- d. all Assistant Directors in other Directorates
- e. External Audit
- f. More for York Programme Team
- g. Staff within the directorate

45. Responses to all the consultation is being co-ordinated through the Office of the Chief Executive, to allow a complete view of feedback across the council. Please send your responses to chiefexec@york.gov.uk by 21 May. Alternatively, if you would like to contact me directly, please feel free to do so.

46. I would appreciate it if managers with staff who may not receive this document directly for reasons including restricted access to email, maternity/paternity leave, sickness absence or external secondments could make arrangements for staff to see this document.

Ian Floyd

Director of Customer And Business Support Services