

Notice of meeting of

Urgency Committee

To: Councillors Steve Galloway (Chair), Merrett, Potter, Reid and Waller

Date: Friday, 18 August 2006

Time: 12.15 pm

Venue: The Guildhall

AGENDA

1. **Declarations of Interest**

At this point, members are asked to declare any personal or prejudicial interests they may have in the business on this agenda.

2. **Exclusion of Press and Public**

To consider the exclusion of the press and public from the meeting during consideration of the following:

Annex 3 to Agenda Item 5 (City of York Council Organisational Review - Stage Two: Chief Executive's Department) on the grounds that it contains information relating to individuals. This information is classed as exempt under paragraph 1 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

3. **Minutes** (Pages 1 - 4)

To approve and sign the minutes of the meeting of the Urgency Committee held on 17 July 2006.

4. Public Participation

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Committee's remit can do so. The deadline for registering is Thursday 17 August 2006, at 10.00 am.

5. City of York Council Organisational Review - Stage Two: Chief Executive's Department (Pages 5 - 58)

This report completes the organisational review of the Council, stage one of which was approved by the Executive in July 2005. It brings forward proposals for the restructuring of the Chief Executive's department and seeks a decision on other matters left over from the 2005 review. It also makes recommendations producing substantial savings, in excess of £200,000, in staff costs.

6. Statement of Accounts 2005/06 (Pages 59 - 74)

This report sets out the changes that have been made to the Statement of Accounts approved at Council on 2 June 2006 and the reasons for these changes, and seeks approval for the revised Statement of Accounts.

7. Appointments Committee for the Head of Corporate Services (Pages 75 - 78)

This report seeks approval for the membership of an Appointments Committee for the post of Head of Corporate Services in the Directorate of Housing and Adult Social Services.

8. Any Other Matters which the Chair decides are urgent under the Local Government Act 1972.

Democracy Officer:

Name: Simon Copley

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For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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City of York Council

Minutes

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| MEETING | URGENCY COMMITTEE |
| DATE | 17 JULY 2006 |
| PRESENT | COUNCILLORS STEVE GALLOWAY (EXECUTIVE LEADER, IN THE CHAIR), HORTON (AS SUBSTITUTE FOR POTTER), MERRETT, REID AND WALLER |
| APOLOGIES | COUNCILLOR POTTER |

1. **DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal or prejudicial interests which they might have in the business on the agenda.

No interests were declared.

2. **MINUTES**

RESOLVED: That the minutes of the last meeting of the Urgency Committee, held on 9 March 2006, be approved and signed by the Chair as a correct record.

3. **PUBLIC PARTICIPATION**

The Chair reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

4. **LEEDS CITY-REGION**

Members received a report which described the progress made in relation to the emerging City-Region debate and in particular the Leeds City-Region and sought approval for continued membership of a City-Region Congestion Partnership, which had been set up to investigate the issue of congestion on a regional basis, and the submission of a pump priming bid to the Department for Transport's Transport Innovation Fund.

The reason that the report was considered at an Urgency Committee was that the pump priming bid had to be submitted to the government by the end of July 2006.

The report explained that the City-Region Development Programme, originally published in 2005, was currently being revised with a view to submitting it to government at the end of the year, in time for it to be considered within the Government's Comprehensive Spending Review scheduled for 2007. The Development Programme focused on three key areas: housing, innovation and connectivity. The latter was the most

developed area, with a 25 year vision emerging for transport across the region based around the following themes:

- Highways: additional capacity to alleviate bottlenecks;
- Rail: electrification, additional capacity, better frequencies / journey times, tram-train;
- Bus: quality and access improvements, Bus Rapid Transit;
- Complementary solutions: strategic park & ride, interchange.

The next stage was to undertake consultation on the draft vision, after which a final version would be prepared.

It was recognised that the Transport Innovation Fund (TIF) would be a key source of funding to implement the Transport Vision. The City-Region had come together under the banner of a “Congestion Partnership” to formulate a bid to access pump priming funding as part of the TIF initiative. These funds would allow studies and related feasibility work to take place to develop a better understanding of the current and future impacts of congestion on economic performance and the respective roles of investment, transport management and demand management in tackling congestion problems. The outcomes of these studies would inform the development of a full TIF bid in the future.

Members expressed support for the principle of regional co-operation and a strong preference for a voluntary federation rather than an elected mayor for the City-Region. Some Members expressed concern regarding the length of time it had taken to formally report the issues relating to the City-Region and highlighted the need for accountability and transparency. It was proposed that future developments be reported to an appropriate Council body and that the minutes of the City-Region Leaders’ meetings be made available to Members for information.

Members emphasised that the funding from the pump priming bid would be used to carry out modelling work to assess the effects of various mechanisms for managing congestion, that the Council was not committed to any particular outcomes and that it could withdraw from the Congestion Partnership at any stage. In particular they emphasised that congestion charging was not necessary in York at the current time. The need for transparency was reiterated in relation to the work of the Congestion Partnership and the need for public debate and understanding as progress was made was also highlighted.

Advice of the Urgency Committee

That the Executive Leader be advised:

- (i) That the emerging debate on the City-Region be noted and further reports be received at future critical stages where issues require decisions;
- (ii) That the continued membership of the Congestion Partnership be approved and the submission of a pump priming Transport Innovation Fund bid based upon the City-Region be approved in principle;

- (iii) That future developments relating to the City-Region be reported to an appropriate Council body and the minutes of the City-Region Leaders' meetings be made available to Members for information.

Decision of the Executive Leader

RESOLVED: That the advice of the Urgency Committee as set out above be accepted and endorsed.

- REASON:
- (i) To keep Members informed of the developments in relation to the City-Region and provide the opportunity for them to consider emerging issues and options which affect the City and where decisions will need to be made;
 - (ii) To play an active part in the development of congestion management in the City-Region and locally, and to access funding for the development of a full Transport Innovation Fund bid in the future;
 - (iii) To ensure accountability and transparency, and to facilitate public understanding and debate regarding congestion management.

COUNCILLOR S F GALLOWAY
Executive Leader, in the Chair

The meeting started at 4.30 pm and finished at 4.55 pm.

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Urgency Committee**18 August 2006**

Report of the Chief Executive

**City of York Council organisational review – stage two
Chief Executive’s department****Reasons for urgency**

This report has been brought to an Urgency Committee in order that decisions on the restructuring of the Chief Executive’s department can be implemented without further delay, particularly given the imminent departure of two chief officers.

Summary

This report completes the organisational review of the Council, stage one of which was approved by the Executive in July 2005. The report brings forward proposals for the restructuring of the Chief Executive’s department and seeks a decision on other matters left over from the 2005 review. The report makes recommendations producing substantial savings, in excess of £200,000, in staff costs.

Structure of the report

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| Section 1 | Background and introduction; |
| Section 2 | Current structure and functions of the Chief Executive’s department; |
| Section 3 | Combining the Chief Executive’s department and Resources; |
| Section 4 | Proposals for overall chief officer structure; |
| Section 5 | Transfer of functions and resources to other directorates; |
| Section 6 | Portfolios and detailed staffing structure; |
| Section 7 | Financial and other implications; |
| Section 8 | Other issues left over from stage one of the Council organisational review; |
| Section 9 | Summary of recommendations. |

SECTION 1 – Background and introduction

- 1.1 In July 2005 the Executive, as part of stage one of an organisational review of the Council, approved proposals for a Council wide restructuring. The objectives were to align Council directorates with the Council's principal purposes and customers (within the context of a need to promote a cultural change in corporate working) and to take account of the statutory duties to appoint a Director of Children's Services and a Director of Adult Social Services.
- 1.2 The Council wide restructuring was to be accomplished in two stages:
- Stage one approved the creation of, and recruitment of directors to, new directorates now called Housing and Adult Social Services; City Strategy; Learning, Culture and Children's Services; and Neighbourhood Services;
 - Stage two provided for consideration to be given to the future configuration of corporate and central services and for other matters held over from stage one to be dealt with, such as the location of 'Safe City' and the long term future of the group of services comprising Arts and Culture, Libraries and Heritage, Parks and Open Spaces and Sport and Active Leisure.
- 1.3 The new directorates approved as part of the organisational review are up and running and the directors are in post, subject to:
- proposals for the removal of unnecessary client/contractor splits which will be brought forward to members in a report from the Director of Resources in the Autumn;
 - proposals which will be brought forward to members for restructuring the directorate of Neighbourhood Services;
 - those outstanding matters left over from stage one of the review which are dealt with in this report.
- 1.4 At the time of its decision in July 2005 the Executive made it clear that it expected to see a significant cultural improvement in corporate working. There has been much improvement at the level of the Corporate Management Team and of the Corporate Leadership Group (all chief officers), particularly in collectively developing a corporate strategy and tackling some of the significant issues facing the Council. There is also a commitment to eradicating unnecessary directorate divisions which get in the way of effective customer service. In particular the directorates of City Strategy and Neighbourhood Services will be looking to improve collective working below directorate management team level. Corporate working should be significantly enhanced by the approach taken to implementing the 13 Council priorities contained within the corporate strategy recently

approved by the Executive, and implementation of the priority on the Council's internal leadership will explicitly promote a more corporate culture.

Restructuring the Chief Executive's department

- 1.5 The Executive decided at stage one of the Council wide review that consideration should be given to opportunities for creating a single directorate comprising corporate and central services, merging Resources and the Chief Executive's department.
- 1.6 The Executive did not decide on a restructuring of the Chief Executive's department at stage one. However, since the Executive's decision on stage one, the Deputy Chief Executive has departed and the Head of Human Resources and the Head of Performance Improvement have recently given notice of their resignations. Further the Council decided, as part of its budget for the current year, to make savings of £150,000 from a restructuring of the Chief Executive's department with the prospect of further savings to be identified for 2007/08. For these reasons proposals for restructuring the Chief Executive's department have been developed.
- 1.7 The proposals in particular take account of an Organisational Effectiveness Programme which has been developed by the Corporate Management Team and was approved by the Executive on 25 July. This Programme is intended to implement the four internal Council priorities recently approved by the Executive as part of the Council's corporate strategy, which cover city leadership, internal leadership within the Council, customer focus and efficiency. It is important to ensure that decisions on the future of corporate and central services provide the structure and capacity best suited to implementing the Organisational Effectiveness Programme, while ensuring that equally important work (concerned with the maintenance of the Council's infrastructure and operations) is carried out.
- 1.8 In addition the proposals in this report seek to:
 - 1.8.1 keep reporting lines to the Chief Executive to a minimum and enable him to carry out his role in implementing the Council's priorities and its Organisational Effectiveness Programme, exercising ultimate accountability for Council performance and major projects and playing his part in discharging the Council's city leadership and partnership role and its role in the sub region and wider region;
 - 1.8.2 keep together Corporate HR, Performance Improvement and Policy staff in view of their role in implementing the Organisational Effectiveness Programme, and ensure that they are able to concentrate on this work;
 - 1.8.3 cause minimal disruption and provide an evolutionary approach towards restructuring;
 - 1.8.4 achieve budget savings for the coming year and facilitate budget savings for the future;

- 1.8.5 preserve consistency with the Executive's decisions on stage one of the organisational review.

Consultation

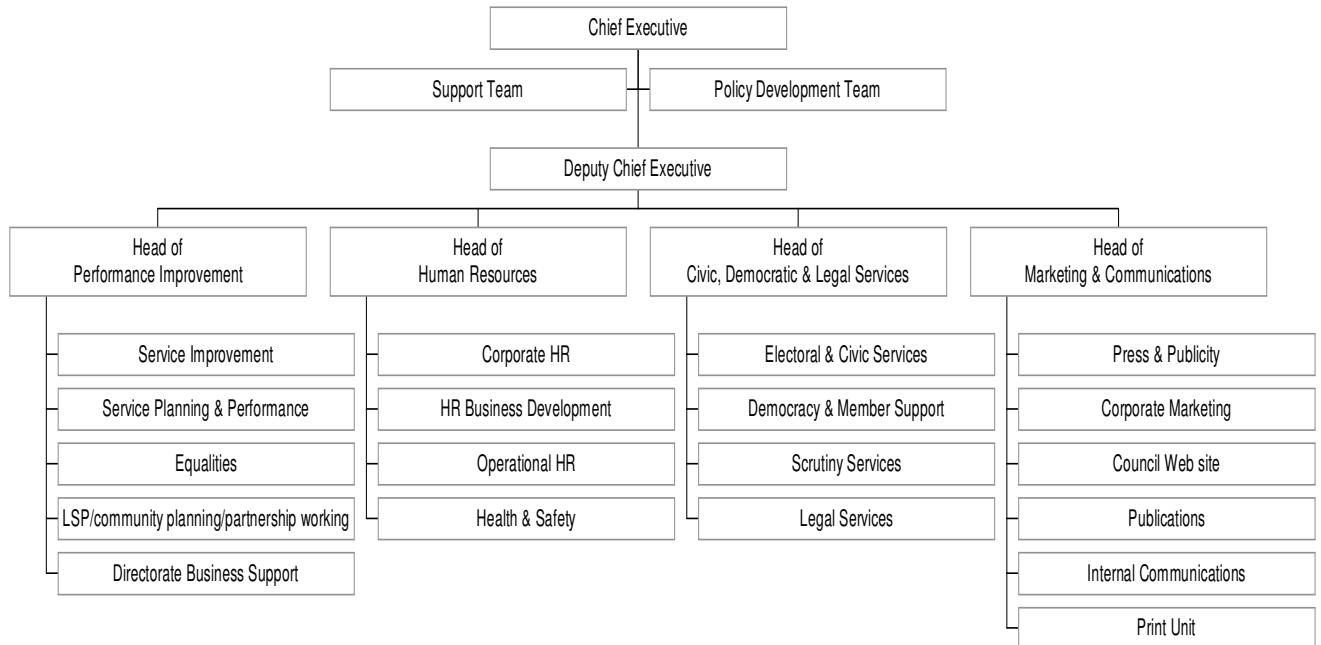
- 1.9 A consultation paper setting out the Chief Executive's original options for restructuring the Chief Executive's department and the transfer of functions to other directorates was issued to all staff in the Chief Executive's department, Corporate Management Team, party group leaders and secretaries, external partners potentially affected by the proposals and trade unions. In addition the Chief Executive has held a number of formal and informal meetings with staff and others, including meetings organised by UNISON.
- 1.10 The consultation period lasted for four weeks and thirty five teams or individuals responded. A summary of the consultation responses, with some preliminary feedback, was prepared and circulated widely. The summary document is available on request from the Chief Executive's office.
- 1.11 This report differs significantly from the proposals that were consulted on in that it includes an option for reducing the number of chief officers from four (excluding the Chief Executive) to two and an option for combining the Chief Executive's department and Resources in a single directorate (subject to greater integration of the two as opportunities present themselves). These options are a response to the very recent notices of resignation of two chief officers in the Chief Executive's department. There has therefore been no formal consultation on these two options below chief officer level. The rest of the report does not differ significantly from the proposals that were consulted on.

Options and analysis

- 1.12 Options and analysis are presented under each section of the report as appropriate.

SECTION 2 – Current structure and functions of the Chief Executive’s department

2.1 The current structure of the Chief Executive’s department is set out below:



Note: The posts of Deputy Chief Executive, Head of Performance Improvement, Head of Human Resources and Head of Civic, Democratic & Legal Services comprise the four chief officer posts (excluding the Chief Executive) in the current Chief Executive’s department. The Head of Marketing & Communications is not a chief officer post.

2.2. Information about the services provided by the Chief Executive’s department is available in the 2006/07 service plans submitted to the Executive Leader & Advisory Panel on 17 January. The current staffing structures and a summary of the functions of each team, extracted from the service plans, are available at Annex 1.

Section 3 - Combining the Chief Executive's department and Resources

- 3.1 There is a case for merging the Chief Executive's department and Resources. They complement each other in that they are both providers of corporate and central services (although Resources also has a large public services function) and they both have a strong role in leading and supporting the implementation of the Organisational Effectiveness Programme. It is critical that they both work collaboratively to maximise their effectiveness in moving the Council forward.
- 3.2 There is also an efficiency case for a merger, allowing the Chief Executive's department and Resources to share administrative support and processes and, over time, make savings by combining managerial responsibilities.
- 3.3 An immediate, full integration of the functions currently within the Chief Executive's department and Resources is not recommended because:
 - 3.3.1 it would create too much disruption which would divert resources from, and impair, current mainstream service delivery as well as implementation of the Organisational Effectiveness Programme;
 - 3.3.2 the Chief Executive's department and Resources are at full stretch and would struggle to accommodate the scale and nature of the change involved.
- 3.4 Instead the Urgency Committee, if it approves a merger, is recommended to approve a structure which combines the current management structure of Resources with a restructured Chief Executive's department, engendering an expectation that opportunities for greater integration will be implemented as they present themselves.
- 3.5 There is a case for not combining the Chief Executive's department and Resources in that a small Chief Executive's department would be able to concentrate on defined and restricted core work without the distraction of other responsibilities better discharged elsewhere. The case for this alternative option is not considered to outweigh the benefits capable of being realised over time of a new integrated directorate.
- 3.6 The Chief Executive recommends a combining of the Chief Executive's department and Resources based on this evolutionary approach to a full merger, given the complementary nature of the functions of the Chief Executive's department and Resources and the long term opportunities for efficiency savings.

Recommendations

- 3.7 The Committee is recommended:

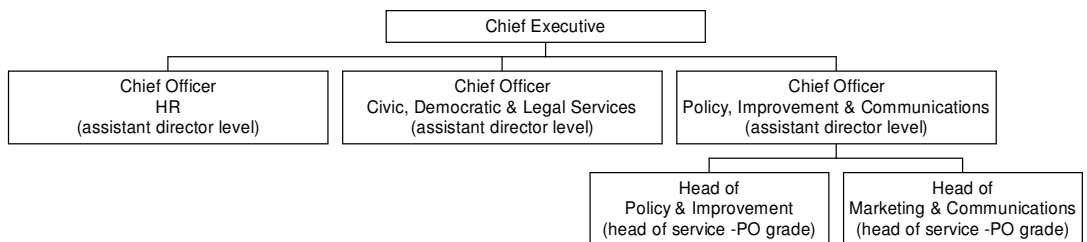
- 3.7.1 To approve the creation of a new directorate combining the Chief Executive's department and Resources directorate;
- 3.7.2 To authorise the Chief Executive, in consultation with the Leader, to establish the new directorate, taking account of the Committee's decisions on the restructuring of the Chief Executive's department and in a way that permits an evolutionary approach to integration as opportunities present themselves.

Reasons: To achieve efficiency savings over time and to make the best use of complementary functions.

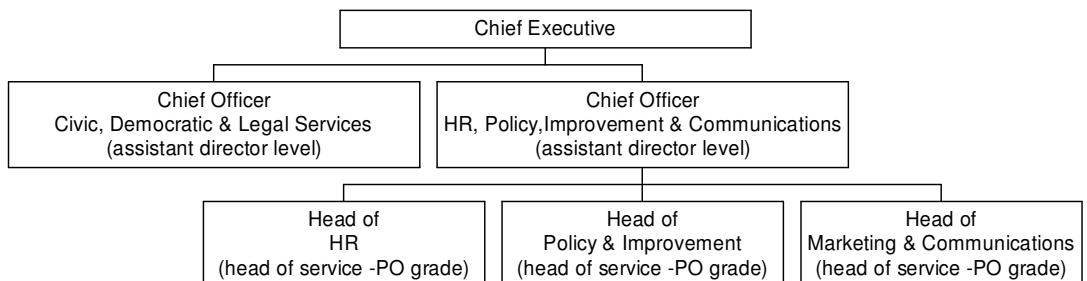
Section 4 - Proposals for overall chief officer structure

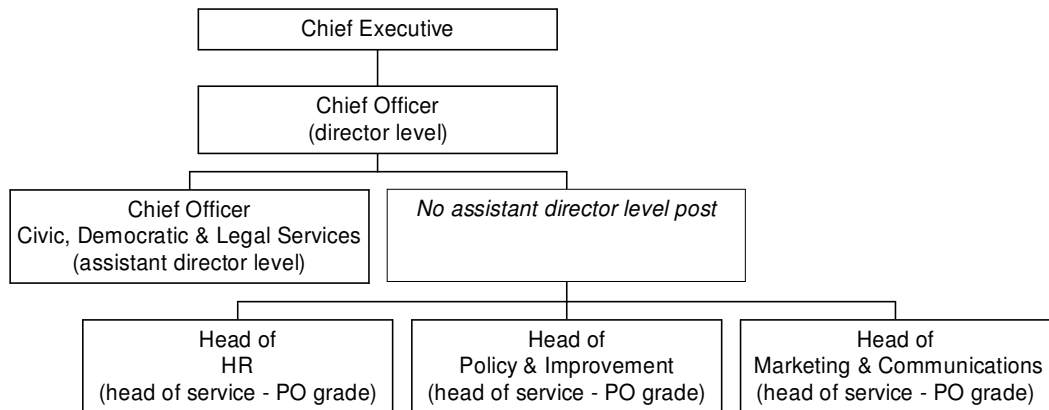
- 4.1 A decision is needed on the most appropriate chief officer structure, which would either work for the Chief Executive's department alone or could readily be incorporated into a combined Chief Executive's department and Resources, depending on which option is approved by the Committee.
- 4.2 The current structure of the Chief Executive's department comprises four chief officers (excluding the Chief Executive):
- Deputy Chief Executive (vacant);
 - Head of Human Resources (shortly to become vacant);
 - Head of Performance Improvement (shortly to become vacant);
 - Head of Civic, Democratic & Legal Services.
- 4.3 Significant savings could be achieved by reducing the number of chief officers from four to either three or two. If the chief officers were to be reduced to three the simplest approach would be to delete the current, vacant Deputy Chief Executive post (see option 1 below). If they were to be reduced to two the remaining two chief officers could either both be at assistant director level (see option 2a below) or one at director and one at assistant director level (see option 2b below):

OPTION 1



OPTION 2a

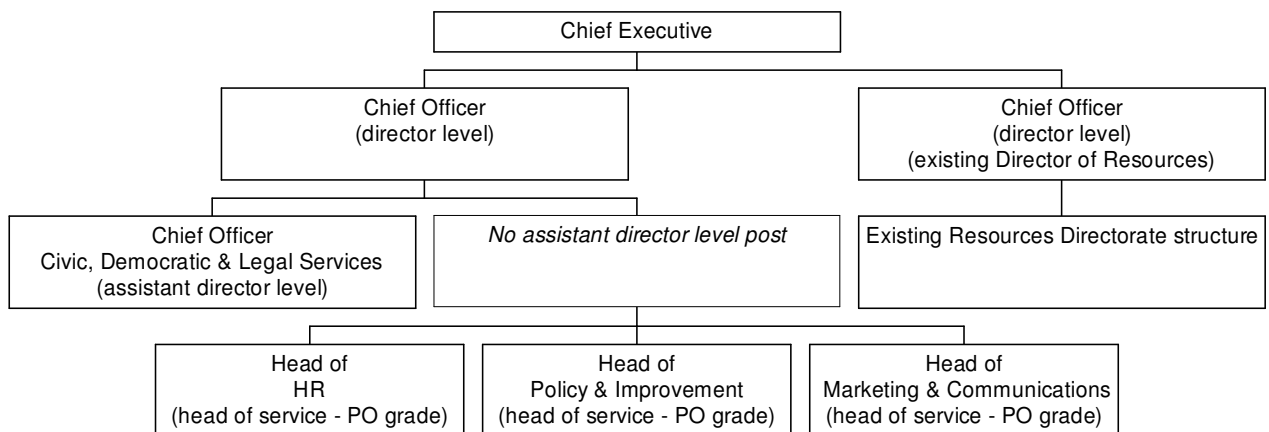


OPTION 2b

- 4.4 Option 1 deletes the current Deputy Chief Executive post, combines the Policy Development team with the Performance Improvement team (for reasons explained in paragraph 6.3.3) and co-locates a combined Policy & Improvement team with Marketing & Communications under a new chief officer post. The new chief officer post replaces the current Head of Performance Improvement. The current chief officer post of Head of Civic, Democratic & Legal Services is left unchanged.
- 4.5 The loss of the Deputy Chief Executive post represents a significant reduction in strategic and corporate management capacity, but is the least disruptive way of making a sizeable contribution to budget savings of £150,000 in the current year and continuing into subsequent years. It leaves a viable structure but, together with other proposals in this report, produces overall savings of £171,000, which would almost certainly leave the Chief Executive's department having to find further significant staff savings as part of next year's budget process. It would be best to make staff savings decisions in one go, in so far as they can be predicted for 2007/08. If option 1 were to be approved it would be recommended that an additional post of full time Administrator at Scale 2 be created to provide support to the chief officers. The cost of this would be £18,000 and this is reflected in the costings.
- 4.6 Option 2 reduces the four chief officers to two. Option 2a is option 1 taken a stage further, by combining the two chief officer posts in option 1 responsible for Human Resources and Policy, Improvement & Communications into a single new chief officer post at assistant director level. The current chief officer post of Head of Civic, Democratic & Legal Services remains unchanged. The savings total of £171,000 under option 1 would rise to £262,100 under this option, reflecting the deletion of the chief officer post and removal of the need to create additional administrative support. It is of concern that the new structure would be extremely stretched and this option puts a premium on the need to recruit a high calibre individual to the new assistant director level chief officer post.

- 4.7 To meet this concern option 2b replaces this new chief officer post at assistant director level with a director level post, which would be responsible for the Head of Civic, Democratic and Legal Services and would manage directly service heads for HR, a combined Policy & Improvement team and Marketing & Communications. It is not proposed that the post be restricted to a qualified HR professional. If the postholder were not an HR professional the Head of HR post immediately below it would have professional responsibility for the HR service across the whole Council. Option 2b is preferred to option 2a because of its potential to attract a high calibre applicant, but it would reduce the £262,100 savings to £226,700.
- 4.8 If the Committee decides to approve a combined directorate comprising the Chief Executive's department and Resources it is proposed that, in keeping with the evolutionary approach proposed in section 3, the Resources directorate be co-located alongside a restructured Chief Executive's department under the Chief Executive. Options 1, 2a or 2b could be used as a building block for a combined directorate. Option 2c below shows how a combined directorate would look based on option 2b:

OPTION 2c



- 4.9 All of the above options delete the post of Deputy Chief Executive, the related post of part time Personal Assistant and all budgets associated with the two posts. Both of these posts are currently vacant.
- 4.10 The post of Deputy Chief Executive was originally created to boost senior management capacity within the Chief Executive's department. The responsibilities of the post were to manage the department as a whole, to assist the Chief Executive in his city partnering role, discharge the role of the Chief Executive in his absence and assume direct responsibility for dealing with some of the principal corporate priorities of the Council. The Deputy Chief Executive would also have had significant responsibility for leading the implementation of the Organisational Effectiveness Programme.
- 4.11 In order to retain, so far as practicable, the advantages of the Deputy Chief Executive's post it is proposed that the Director of Resources be designated Deputy Chief Executive to assist the Chief Executive and act in his absence

or unavailability. This is recommended whether or not the Committee approves a combining of the Chief Executive's department and Resources.

Recommendations

4.12 The Committee is recommended:

4.12.1 to approve an overall chief officer structure for a combined Chief Executive's department and Resources directorate as set out in option 2c;

4.12.2 to delete the existing posts of Deputy Chief Executive and part time Personal Assistant (and associated budgets), Head of Performance Improvement and Head of Human Resources;

4.12.3 to create a new post at director level with overall responsibility for Civic, Democratic and Legal Services, Human Resources, Policy & Improvement and Marketing & Communications;

4.12.4 to authorise the Chief Executive to proceed immediately with recruitment to the new director level post and, in consultation with the Appointments Committee, to engage the services of a recruitment consultant;

4.12.5 to approve the establishment of, and appoint members to, an Appointments Committee consisting of three members (two from the majority party and one from the main opposition party);

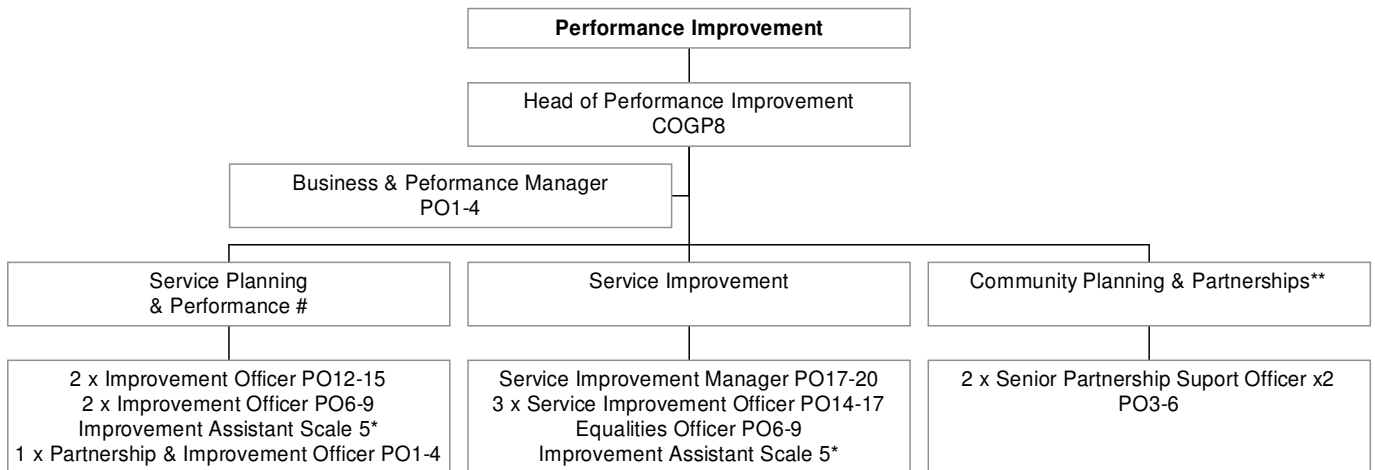
4.12.6 to approve expenditure of up to £20,000 on a recruitment consultant, to be met from one off underspends on chief officer salaries in the Chief Executive's department or, to the extent that they are insufficient, from the Council's contingency;

4.12.7 to approve the designation of the Director of Resources as Deputy Chief Executive to assist the Chief Executive and act in his absence or unavailability.

Reasons: To create and recruit to a structure which combines the best mix of savings and management capacity most suited to lead a restructured Chief Executive's department.

Section 5 – Transfer of functions and resources to other directorates

5.1 It is proposed that some work currently the responsibility of the Performance Improvement team is transferred to other directorates. The current structure of the Performance Improvement team is:



The approved establishment contains an unfunded manager post at PO17-20 which has never been filled, the funding for which has been used to support the rest of the structure.

* *Currently acting into more senior posts.*

** *The Community Planning & Partnerships team (which after the transfer of functions to City Strategy would no longer exist) has in its establishment a post of 0.5 fte Administrator at Scale 2. This post is vacant and it is proposed that it be deleted as part of this restructure.*

5.2 Local Strategic Partnership and associated work

5.2.1 The Council's corporate strategy recently approved by the Executive a priority to "Improve the way the Council and its partners work together to deliver better services for the people who live in York."

5.2.2 This priority covers the Local Strategic Partnership (LSP), development of a Local Area Agreement (LAA) for York and the development of successful partnership working (including oversight of partnership governance, performance and efficiency). Actions to implement the priority are set out in the Organisational Effectiveness Programme. The Chief Executive considers that responsibility for the Council's LAA and for partnership working should be located with responsibility for the LSP.

5.2.3 Views were expressed in response to the consultation on the restructuring proposals that responsibility for the LSP should remain within the Chief Executive's department as one of the key functions for which the Chief

Executive had overall responsibility to members. Arguments for and against this were explored as part of stage one of the Council wide organisational review last year. The conclusion was that the LSP should be located in a directorate with responsibility for the strategic development of the city, but providing for the Chief Executive and the Corporate Management Team to assume corporate responsibility for ensuring that the Council worked collectively in discharging the Council's role in implementing the Community Strategy. The Executive therefore decided, as part of stage one of the organisational review, that responsibility for the LSP should pass to the directorate of City Strategy. The Chief Executive is not recommending reconsideration of this decision.

- 5.2.4 It is therefore proposed that LAA work, which is closely linked to the role of the LSP, be located with the LSP in City Strategy. However the development of the LAA is currently being carried out within the Chief Executive's department and it would be too disruptive to transfer this development work at this stage. It is therefore proposed that full responsibility for York's LAA is assumed by City Strategy after submission of the final draft LAA to the Government at the beginning of December.
- 5.2.5 There is a vacant Partnership Support Officer post (PO1-4) dedicated to promoting the development and oversight of the Council's partnership working as a whole. This function must continue if the Council's priority is to be implemented and, to facilitate its implementation, it is recommended that the post be deleted and a similar post established in City Strategy.
- 5.2.6 The Chief Executive's department is also responsible for providing corporate support for, and partnership working with, the voluntary sector, support for the Inclusive York Forum and administration of grants for voluntary organisations within the remit of the department. A post of Senior Partnership Support Officer (PO3-6) is dedicated full time to this work. The response to consultation from a principal external partner proposed that support for the voluntary sector should remain within the Chief Executive's department. However the Council's partnership working with the voluntary sector is integral to the LAA and to the implementation of the Council's priority and it is recommended that the Senior Partnership Support Officer post responsible for the voluntary sector (with its post holder and staff budget) transfer to City Strategy.
- 5.2.7 The Chief Executive's department also has a Senior Partnership Support Officer (PO3-6) dedicated to LSP work, with considerable senior management support. Taking account of the existing posts and support provided to this area of work it is proposed that the following posts be established in principle in City Strategy:
- LSP & Partnerships Manager (PO17-20) - *new post*;
 - Partnership Officer (PO1-4) – *new post*;

and that the two posts of Senior Partnership Support Officer (PO3-6) in the Chief Executive's department be transferred with their post holders and staffing budgets to City Strategy.

- 5.2.8 The Executive is recommended to approve the establishment of the manager and partnership officer posts in principle, subject to job descriptions identifying the precise work which the post holders will carry out, with properly evaluated grades, being approved by the Director of City Strategy in consultation with the Leader, or by the Leader through a City Strategy Executive Member and Advisory Panel (EMAP). Funding for these posts will be made available from savings arising from the restructuring proposals in this report and will be transferred to City Strategy when the posts have been established and the post holders appointed.

5.3 Safe City

- 5.3.1 The Council's recently approved corporate strategy includes a Safe City priority "To reduce the actual and perceived impact of violent, aggressive and nuisance behaviour on people in York".
- 5.3.2 The response to consultation on the restructuring proposals suggested that responsibility for Safe City should be shared between City Strategy (for a strategic lead) and Neighbourhood Services (for operational delivery), favouring day to day responsibility for Safe City work being placed with Neighbourhood Services to enable it to benefit from co-location with neighbourhood and street level services. There was recognition however of a need for City Strategy and Neighbourhood Services to work closely and collaboratively to ensure that City Strategy could draw on support needed to set out a clear, long term direction for the future operational working of Safe City as part of the Council's strategic thinking for the future wellbeing of the City.
- 5.3.3 It is proposed that responsibility for implementing the Council's Safe City priority is transferred to Neighbourhood Services. It is also proposed that Neighbourhood Services take on responsibility for providing management support to the Director of the Safer York Partnership and discharge the Council's responsibility, together with other members of the Partnership, to ensure the effective working of the Safer York Partnership and its staff. It is further proposed that City Strategy take on responsibility for the Council's contribution to Safe City strategic planning (such as three year Crime and Disorder Reduction plans), including the role of the LSP in approving such plans and allocating resources for their implementation. To carry out this role City Strategy would have a right to commission support from Neighbourhood Services, including support which is available from the Safer York Partnership. It is proposed that this work is expressly identified in the job description for the LSP & Partnerships Manager post proposed for City Strategy.
- 5.3.4 At present there is no dedicated support for Safe City, which places at risk successful implementation of the Council's priority. Although Neighbourhood

Services will be expected to work flexibly in support of Safe City it is proposed that arrangements are strengthened with the creation of a new post of Safe City Co-ordinator at PO1-4. This post would be placed in Neighbourhood Services and funded by savings in the Chief Executive's department. The Director of Neighbourhood Services will be bringing forward to Members proposals for restructuring Neighbourhood Services. The Director of Neighbourhood Services will include proposals for the creation of a Safe City Unit based on the proposed Safe City Co-ordinator post, and taking account of other Safe City functions in the Council (such as alley gating) which could be comprised within the Unit. The restructuring proposals will set out a clear job description for the Co-ordinator with a properly evaluated grade.

5.4 Customers Standards

- 5.4.1 The Council's corporate strategy includes a priority to "Improve our focus on the needs of customers and residents in designing and providing services."
- 5.4.2 Current responsibility for the establishment, promotion and maintenance of corporate customer standards is vested within the Performance Improvement Team in the Chief Executive's department, which would have assumed responsibility for the implementation of the Council's priority, set out in the Organisational Effectiveness Programme.
- 5.4.3 It is proposed that the Customer responsibilities of the Performance Improvement team transfer to Resources so that they can be managed alongside Public Services and the easy@york project with the Head of Public Services assuming the mantle of 'Corporate Customer Champion'.
- 5.4.4 Resources is willing to take on this responsibility but has advised that it could not discharge any work additional to that currently included in the easy@york programme without the transfer of resources from the Chief Executive's department. This would lead to very little progress being made on the implementation of the Council's priority. Resources could only be provided from the Chief Executive's department by reducing the resources available to support the other priorities in the Organisational Effectiveness Programme, or by reducing resources allocated to other priorities such as Safe City.
- 5.4.5 Subject to the decisions of the Committee on the proposals in this report the savings arising will meet the Chief Executive's department's savings target of £150,000 in the current year and provide savings for next year of £76,700 if the recommendations in this report are accepted, but in a range of £21,000 to £112,100. Some of the savings for next year could be made available to Resources for implementation of the Council's customer focus priority, preferably with the help of a contribution from Resources, but would present the Chief Executive's department with an even more difficult task in meeting its likely savings for next year. It is recommended that responsibility for Customer work be transferred to Resources and that the Director of Resources and Chief Executive produce a report to the appropriate EMAP setting out what work is needed properly to implement the Council's priority

and how it might be funded. In the meantime savings arising from the proposals in this report will be held available for possible allocation to this priority.

Client function for Audit Commission

5.4.6 The current client function for the Audit Commission rests with Resources but the Deputy Chief Executive exercised a role in managing the relationship with the Audit Commission on inspections and best value. It is proposed that in future all client functions relating to the Audit Commission should rest with Resources, on the understanding that there would be consultation with the Policy & Improvement team on key aspects affecting the team's work. There would be no transfer of resources to the Resources directorate for taking on this role.

5.5 Web team

5.5.1 The current Web team comprises:

- Web Manager (PO1-4);
- Web Assistant (Scale 4/5).

5.5.2 It is proposed that this team transfer to Resources under the management of the Head of Public Services. This recognises the increasingly transactional nature of the web, where previously it was viewed primarily as a communications tool. The proposed transfer of staff reflects current working practice and is supported by the affected staff, their manager and Resources. It is however vital that the communications aspect of the web is not overlooked and that a clear line of accountability be established from the Web team to the Head of Marketing & Communications so that management and development of the web is consistent with the Council's communications policy.

5.6 Business support

5.6.1 Business support to the Chief Executive's department is currently provided by a Business and Performance Manager within the existing Performance Improvement team. The directorates of City Strategy and Resources are putting arrangements in place for shared business support, to be managed by an assistant director based in City Strategy. It is proposed that these arrangements be approved by the Executive as extended to include the Chief Executive's department and that the Business and Performance Manager transfer to the larger business support team in City Strategy once arrangements for establishment of the business support team have been made.

5.7 Recommendations

The Committee is recommended to confirm the Executive's decision in July 2005 to transfer responsibility for the Local Strategic Partnership to City Strategy and to approve:

5.7.1 the transfer to City Strategy of responsibility, currently within the remit of the Chief Executive's department, for York's Local Area Agreement, corporate voluntary sector work and partnership development and oversight work as described in section 5.2, subject to the Chief Executive being authorised to implement the transfer when City Strategy is best able to accommodate its new responsibilities;

5.7.2 the establishment in principle of the following posts in City Strategy:

- a new post at PO17-20 to manage LSP and associated work set out in section 5.2 and in paragraph 5.3.3;
- a partnership officer post to carry out the partnership development and oversight work described in paragraph 5.2.2;

subject to the approval of job descriptions and grades by the Director of City Strategy in consultation with the Leader, or by the Leader through the City Strategy EMAP;

5.7.3 the transfer from the Chief Executive's department to City Strategy of funding for the posts mentioned in paragraph 5.7.2 above (of an amount sufficient to meet the costs of posts up to a grade of PO17-20 for the manager post and PO1-4 for the partnership post), subject to the creation of the posts and the appointment of post holders;

5.7.4 the transfer to City Strategy of two posts of Senior Partnership Support Officer (PO3-6) in the Chief Executive's department with their post holders and staffing budgets, subject to the Chief Executive being authorised to implement the transfer when City Strategy is ready to accommodate the posts;

5.7.5 the deletion of the vacant post of Partnership & Improvement Officer (PO1-4) in the Chief Executive's department;

5.7.6 the transfer from the Chief Executive's department to Neighbourhood Services of operational responsibility, and to City Strategy of strategic planning responsibility, for Safe City as described in section 5.3;

5.7.7 the establishment in principle of a new post of Safe City Co-ordinator at PO1-4 in Neighbourhood Services, subject to subsequent formal member approval of the post's role, grade and location on consideration of a report to be brought forward by the Director of Neighbourhood Services on proposals for restructuring Neighbourhood Services;

- 5.7.8 the transfer from the Chief Executive's department to Neighbourhood Services of funding for the Safe City Co-ordinator post (of an amount sufficient to meet the cost of a post up to a grade of PO1-4), subject to the creation of the post and appointment of a post holder;
- 5.7.9 the transfer from the Chief Executive's department to Resources of the Customer function currently vested in the Chief Executive's department, and lead responsibility for the implementation of the Council's customer focus priority, subject to consideration by the relevant EMAP of resources which could be made available for this work and the scope of the work which could be achieved within such resources;
- 5.7.10 the transfer from the Chief Executive's department to Resources of the responsibility currently vested in the Chief Executive's department for managing the Council's relationship with the Audit Commission on inspections and beat value work;
- 5.7.11 the transfer from the Chief Executive's department to Resources of the posts of Web Manager and Web Assistant with their post holders and staff budgets, subject to the Chief Executive being authorised to implement the transfer when the Director of Resources is ready to accommodate these posts and appropriate arrangements have been put in place to ensure accountability to the Head of Marketing & Communications for compliance with the Council's communications policy;
- 5.7.12 the transfer from the Chief Executive's department to City Strategy of responsibility for the Chief Executive's department's business support functions, together with the existing post of Business and Performance Manager, its post holder and staff budget, subject to the transfer not being implemented until City Strategy has created a structure for its business support functions (to include business support for Resources) which accommodates the transferred post.

Reasons: The transfer of functions and resources are recommended to implement the decisions of the Executive at stage one of the Council organisational review, and to achieve consistency with current service arrangements.

Section 6 - Portfolios and detailed staffing structure

6.1 Whether option 1 or a version of option 2 (as set out in section 4) is decided upon, the Committee needs to consider the future of the four portfolios which provide the building blocks for the chosen option:

- Civic, Democratic & Legal Services (section 6.2);
- Policy & Improvement (section 6.3);
- Marketing & Communications (section 6.4);
- Human Resources (section 6.5).

Civic, Democratic & Legal Services

6.2.1 It is proposed to leave this portfolio under its existing chief officer. Although the portfolio could transfer to Resources it might diminish the attractiveness of the new director level post to a potential high calibre candidate if the Committee decided upon options 2b or 2c. In any event a transfer to Resources would strain the management capacity of Resources in the absence of some compensating management arrangements being made.

6.2.2 Civic Services (including Electoral Services) and Democratic Services are currently grouped with Legal Services under the management of the Head of Civic, Democratic and Legal Services.

6.2.3 These functions were grouped at the time of the last restructure in order to strengthen the procedural and constitutional function of Democratic Services and to make the most effective use of management resources. This arrangement has proved successful and consultation responses were, in the majority of cases, supportive of the combined service being retained as a unit in the Chief Executive's department, in order to maintain close, direct links between the Chief Executive, members and the democratic process.

6.2.4 The consultation proposals suggested the deletion of one Democracy Officer post in anticipation of a reduced workload arising from the changes to the Council's constitution. The response to consultation expressed concern about the effect this reduction in capacity would have on the ability of the team to manage the demands placed upon it, both in terms of maintaining existing tasks and development work associated with introducing and supporting procedural and constitutional changes. Democratic Services, with the support of their chief officer, have identified alternative efficiencies to achieve an equivalent savings target. In keeping with this it is proposed that:

- the post of half time Administrative Assistant (currently vacant) be deleted (which can be accommodated because of improved working practices arising from introduction of the Committee Management System);
- one Democracy Officer post be reduced from full time to 0.6 fte at the request of the post holder (capable of being absorbed by Democratic Services given the changes expected to arise from the new constitution).

Scrutiny Service

- 6.2.5 The current Scrutiny team comprises a manager post at PO9-12 (currently vacant), two officer posts at SO1/2 and a half time administrator. It is proposed that the post of Scrutiny Manager be deleted and that responsibility for the management of the service be transferred to the Democracy and Member Support Manager. This would save £41,000.
- 6.2.6 Two main concerns were raised in response to this proposal as a result of consultation on the restructure. First it was emphasised that, in addition to discharging a management role, the Scrutiny Manager also performed the role of a Scrutiny Officer. The deletion of the Scrutiny Manager post would therefore reduce the operational capacity of the team. To meet this concern an additional Scrutiny Officer post could be created at SO1/2, at a cost of £34,000, reducing the net saving to £7,000.
- 6.2.7 The second main concern was that management of the Scrutiny and Democratic functions by the same officer might create a conflict of interest and compromise the independence of the Scrutiny function and weaken the function by diminishing its management capacity. The proposal to merge the management has been discussed with the Democracy and Member Support Manager and the Head of Civic, Democratic and Legal Services and both are satisfied that management of the two teams by one officer is possible and efficient. The Chief Executive is satisfied that the Democracy and Member Support Manager would be able to manage Scrutiny and Democratic functions without compromising the independence of the former. Provided the additional Scrutiny Officer post is created, both the Democracy & Member Support Manager and the Head of Civic, Democratic & Legal Services believe that there will be no detrimental effect on the management of the Scrutiny function caused by the proposed restructuring.
- 6.2.8 The Chief Executive is therefore satisfied that the Council would have a viable and properly managed Scrutiny Service by merging the management and creating the extra SO1/2 post. Members however have the option of preserving the existing structure, in which case no savings would be found from Scrutiny Services. There is an option to absorb the Scrutiny Manager post into the Democracy and Member Support Manager post without the creation of an additional Scrutiny Officer post. This would save the full £41,000 referred to above, but radically reduce the Scrutiny Service as currently provided to a bare minimum.

Electoral Services

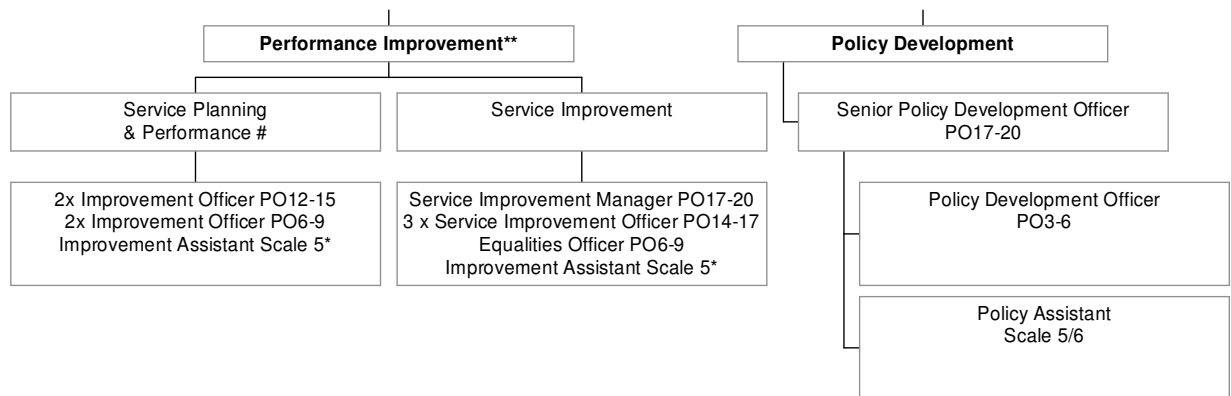
- 6.2.9 No changes are proposed to the existing staffing structure of the Electoral Services team. Within the team there is, however, an approved establishment post of Clerical Assistant. This post is occupied by a substantive post holder but is currently unfunded. The post is essential to the running of the elections service, but the cost cannot be met from within existing team budgets. It is therefore proposed that this post be fully funded at Scale 2, at a cost of £18,000, from other savings arising from the

restructure. Members have recently approved an additional £40,000 from government funding for Electoral Services to meet the cost of implementing the prospective Electoral Reform Act. The Chief Executive does not consider that the Scale 2 post can be dispensed with and is therefore proposing that it is funded out of savings arising from the restructuring proposals.

Policy & Improvement

6.3.1 This portfolio would be created from combining the current Performance Improvement and Policy Development teams.

6.3.2 If the Committee approves the transfer of staff proposed in section 5 of this report the remaining, present Policy Development and Performance Improvement teams below chief officer level comprise the following:



The approved establishment contains an unfunded manager post at PO17-20 which has never been filled, the funding for which has been used to support the rest of the structure.

* *Currently acting into more senior posts.*

** *The Community Planning & Partnerships team (which after the transfer of functions to City Strategy would no longer exist) has in its establishment a post of 0.5 fte Administrator at Scale 2. This post is vacant and it is proposed that it be deleted as part of this restructure.*

6.3.3 The proposal to combine the Policy Development and Performance Improvement teams into a single Policy & Improvement team responsible to a chief officer is intended to produce efficiency savings by making the most of management capacity, by enabling the resources of one team to be put at the disposition of the other to meet fluctuations in work demands and by reducing reporting lines to the chief officer.

Policy Development

6.3.4 However the important work of the Policy Development team should not be lost. It is essential that the Council keeps abreast of thinking and policy initiatives affecting local government and is able to respond to policy initiatives which have no natural home in the Council (such as local government reorganisation, including the emerging city region agenda, and the forthcoming Lyons report) or which require some initial dedicated attention before they become part of the mainstream work of the relevant service directorate. The Policy Development team consists of three staff as shown in the structure chart above. It is proposed that the present staffing of Policy Development should remain unchanged but be combined with Performance Improvement to provide additional support to Performance Improvement work, subject to the integrity of Policy development work being preserved.

Equalities

6.3.5 The current Equalities team is contained within the Performance Improvement team and comprises two staff, one Principal Officer at PO6-9 and an Improvement Assistant (Scale 5) who has taken on additional responsibilities equivalent to those of an officer graded at SO1 and is acting up at that level. It is the view of the Equalities team and their chief officer, expressed as part of their consultation response, that continuation of the SO1 activities carried out by the Improvement Assistant is necessary to the successful achievement of the Council's Equalities objectives.

6.3.6 A proposal to regrade the Improvement Assistant from Scale 5 to SO1 has previously been assessed and is supported by HR. The cost could be absorbed within the team's existing budget and, subject to any views of the Committee, the regrading will be put on a permanent footing.

Performance Improvement

6.3.7 Assuming the transfer of functions to other directorates as proposed in section 5 the remaining work of the Performance Improvement team must be concentrated on taking forward actions in the Organisational Effectiveness Programme for which the team has responsibility, generally supporting implementation of the Programme and the Council's recently approved corporate strategy and carrying out cyclical work associated with the Council's annual business planning and monitoring (such as the Council Plan, annual service planning and corporate performance monitoring).

6.3.8 This is broadly the current work of the Performance Improvement team which is set out in Annex 2a, showing details of work currently carried out by the team and work within the remit of the team which is not being carried out at present largely because of the pending restructuring proposals or redirection of resources as shown in the Annex. Annex 2b shows which of the current work will be retained by the team and which will be transferred if the Committee approves the recommendations in section 5. The importance of

the Performance Improvement team's work to the future success of the Council is critical.

6.3.9 The work that the Chief Executive proposes that the Performance Improvement team should continue to carry out is set out in Annex 2c with an indication, as supplied to the Chief Executive, of the staffing needed to support it. Annex 2c also shows work which the Chief Executive proposes will not be carried out.

6.3.10 Annex 2c estimates that the proposed continuing work of the Performance Improvement team requires at least seven full time equivalent operational staff. However this estimation does not take account of additional support which could be realised by drawing on the resources of the Policy Development team and Equalities team and the potential which a high calibre chief officer at director level could bring to the management of the work of the new Policy & Improvement team.

6.3.11 The Chief Executive therefore proposes that the continuing improvement work of the current Performance Improvement team could effectively be carried out by a team of improvement officers in the new Policy & Improvement team consisting of:

- 2 x Service Improvement Officers (PO14-17);
- 2 x Improvement Officers (PO12-15);
- 1 x Local Public Service Agreement (LPSA) Support Officer (PO1-4) - 3 year fixed term;
- 1 x Improvement Assistant (Scale 5);

and drawing on the support of the five existing Equalities and Policy Development staff to the tune of one extra full time equivalent available for performance improvement work.

6.3.12 This would entail the deletion of the following existing posts:

- 1 x vacant and unfunded manager post (PO17-20);
- 1 x Service Improvement Officer post (PO14-17);
- 2 x vacant Improvement Officer posts (PO6-9);
- 1 x 0.5 vacant Administrator post (Scale 2);
- Head of Performance Improvement (COGP8) – to be subsumed within the creation of a director level post under the recommended Option 2c (see section 4);
- Service Improvement Manager (PO17-20) – the savings from this post would be used to fund the creation of a PO17-20 post in City Strategy

(see paragraphs 5.2.7 and 5.7.2) with the potential for the postholder to be redeployed into the new post, subject to the Council's policies.

The Policy Development team and Equalities team as currently constituted would be incorporated in the new Policy & Improvement team.

6.3.13 All of the posts proposed for deletion in 6.3.12 are or will become vacant with the exception of:

- the Service Improvement Manager;
- the Service Improvement Officer;

whose postholders would be at risk of redundancy in the absence of redeployment.

6.4.14 There are three posts of Service Improvement Officer, all filled. Subject to redeployment one of the post holders is willing to volunteer for redundancy and early retirement.

6.3.15 Selection of the Service Improvement Officer to be put at risk of redundancy will be undertaken in accordance with the Council's policy.

6.3.16 The potential cost to the Council of redundancies is dealt with in section 7 under 'Financial implications'.

6.3.17 It would be for the new chief officer to propose a structure for the new Policy & Improvement team and the precise management arrangements to lead the team, and to make the best use of the Policy Development and Equalities staff for supporting the improvement work of the team while preserving the integrity of the Council's Policy Development and Equalities work.

Marketing & Communications

6.4. Apart from the change in the location of Marketing & Communications within the overall chief officer structure (see section 4) the only change proposed in the existing Marketing & Communications team is the transfer of the Web team to Resources – see section 5.5.

Human Resources (HR)

6.5.1 The role of Corporate HR is closely tied to the proposed work of the new Policy & Improvement team and the Chief Executive proposes that Corporate HR be co-located with that team, reporting to a new chief officer post.

6.5.2 The consultation on the restructure proposed the devolution of operational HR services to directorates with Corporate HR, HR Business Development and Health & Safety being retained in the Chief Executive's department under the management of the Head of HR.

6.5.3 Responses to consultation accepted that this model could be made to work but the balance of opinion was that:

- the HR service had been restructured in 2005, staff were supportive of the model that had been established and would wish to see it settle down before undergoing further change;
- the level of resources made it beneficial to retain the flexibility of the existing structure, so that directorate and Corporate HR staff worked closely together to a common agenda ensuring consistency in application of the Council's HR policies and procedures and mutual support in implementing the HR development agenda;
- there was a commitment in the HR restructuring proposals gradually to explore opportunities for devolution of the service to directorates as the service matured.

6.5.4. The Corporate Management Team favours devolution, which works successfully for Finance. Devolution remains an aim of the Head of HR. Devolution makes it more difficult to achieve efficiency savings than with a centralised support service, but devolved support services tend as a rule to be more flexible in meeting client needs and are preferred by clients. On balance the Chief Executive favours devolution, particularly as it frees up the Head of HR to play a greater role in implementing the Organisational Effectiveness Programme and to provide greater management capacity in the Chief Executive's department. The Head of HR would still have professional responsibility for all of the Council's HR services under a devolved model.

6.5.5 The Health & Safety team would remain unchanged under the management of the Head of HR, who would assume the role of 'Health & Safety Champion'. This does not seek to dilute the legal responsibility for health and safety that rests with the Chief Executive, but confers on the Head of HR responsibility for leading improvement in health and safety across the Council.

6.5.6 Given the resignation of the Head of HR and the recruitment of a new chief officer who would have responsibility for the Council's HR function it is recommended that the Committee approve devolution of operational HR services in principle, subject to the new chief officer reviewing the case for devolution and producing clear proposals for the operation of a devolved service which safeguard compliance with HR policies and procedures throughout the Council.

Recommendations

6.7 The Committee is recommended to approve:

- 6.7.1 the deletion of the vacant post of half time Administrative Assistant in Civic, Democratic & Legal Services;

- 6.7.2 a permanent reduction in a post of Democracy Officer from full time to 0.6, subject to the Democracy and Member Support Manager being authorised to implement this decision;
- 6.7.3 the deletion of the post of Scrutiny Manager and absorption of its responsibilities within the post of Democracy and Member Support Manager;
- 6.7.4 the creation of a new post of Scrutiny Officer at SO1/2;
- 6.7.5 the allocation of funding of £18,000 to the approved establishment post of Clerical Assistant in Electoral Services;
- 6.7.6 the deletion of the following posts in Performance Improvement:
- Service Improvement Manager (PO17-20);
 - an unfunded and vacant manager post (PO17-20);
 - a vacant post of 0.5 fte Administrator (Scale 2);
 - a post of Service Improvement Officer (PO14-17);
 - two vacant posts of Improvement Officers (PO6-9).
- 6.7.7 the permanent regrading of an Improvement Assistant (Scale 5) in the Equalities team to SO1;
- 6.7.8 the establishment of a combined Policy & Improvement team out of the current Policy Development and Performance Improvement teams consisting of:
- two Service Improvement Officers (PO14-17);
 - two Improvement Officers (PO12-15);
 - one Improvement Assistant (Scale 5);
 - one Local Public Services Agreement Support Officer (3 year fixed term post) (PO1-4);
 - the current Policy Development team;
 - the current Equalities team (as amended by paragraph 6.7.7 above).
- 6.7.9 The devolution of operational HR services in principle, subject to review by the new chief officer responsible for HR and the approval by the Leader at a City Strategy EMAP of clear proposals for the operation of a devolved service which safeguard compliance with the Council's HR policies and procedures.

Reasons: The recommendations seek to strike the best balance between the need to identify significant savings and the need to protect important work of the Council and direct resources to the Council's recently approved corporate priorities.

Section 7 - Financial and other implications

Corporate priorities

7.1. The report identifies how the restructuring proposals will help the Council implement the priorities contained within its recently approved corporate strategy, particularly those four internal priorities which make up the Organisational Effectiveness Programme which was approved by the Executive on 25th July.

Financial implications

7.2 The detailed financial implications of each of the options in this paper is shown in confidential Annex 3. A summary of the options are shown below:

| | Chief Executives £'000 | Resources £'000 | City Strategy £'000 | N'brhood Services £'000 | Net Savings £'000 |
|-------------|---------------------------|--------------------|------------------------|----------------------------|----------------------|
| Option 1 | -460.0 | +57.1 | +196.9 | +35.0 | -171.0 |
| Option 2a | -551.1 | +57.1 | +196.9 | +35.0 | -262.1 |
| Option 2b/c | -515.7 | +57.1 | +196.9 | +35.0 | -226.7 |

7.3 If fully implemented as recommended, these proposals would give rise to the required saving of £150,000 recurring from 2006/07 and an additional recurring annual saving of £76,700 which may be contribute to the Chief Executive's department's savings target for 2007/08.

7.4 The above costings are based on a full year effect. Whilst the restructure will not be in place for a large part of 2006/07 there have been a number of vacancies within the current financial year held subject to the outcome of this review to ensure that the required budget saving of £150,000 can be achieved.

7.5 The above costings show employee related expenditure. For functions transferred to other directorates there will be associated non-employee budgets. The details of these budgets are to be agreed between the respective Directors.

7.4 The staffing implications give rise to one likely redundancy from a pool of three Service Improvement Officers. The range of redundancy costs are estimated at between £18,400 - £109,000.

- 7.5 The normal treatment for redundancy and early retirement costs is that they are met in full from a corporate budget in the year that they are incurred. The 2006/07 corporate budget for redundancy and early retirement costs is £1,213,000 but as a result of savings taken in the 2006/07 Budget, and changing demands within schools, this budget is already fully committed for the year. Therefore any additional costs in 2006/07 will create an overspend which will be reported in the 1st Monitor. This overspend would need to be addressed either by the use of contingency funds or via savings made elsewhere.
- 7.6 If there is a redundancy at the high end of the range mentioned above it is possible to spread the cost of the early retirement across up to 5 years, but this would result in a 16% uplift in the total cost and simply create liabilities for future years. This would increase the cost of the early retirement from £90,000 to £104,400 but reduce the first year cost to the Council to £39,700, with a further £20, 900 for the following 4 years.
- 7.7 Although these costs are met centrally it is important to take them into account when looking at the departmental savings in order to fully understand the overall net position.

HR implications

- 7.8 The options in this report affect overall post numbers as follows:

| | Option 1 | Option 2a | Option 2b & 2c |
|----------------------------|----------|-----------|----------------|
| Posts created ¹ | 7 | 5 | 6 |
| Posts deleted ² | 11 | 11 | 12 |

¹ One of these posts is for a fixed term of three years.

² Of these posts all but two are currently vacant or resigned.

- 7.9 All options place two substantive staff members at risk of redundancy. Staff changes arising from the restructure would be managed in accordance with the Council's change management policy. Staff placed at risk would be eligible for redeployment under this policy and there is the potential for at least one to be redeployed. One provisional offer of voluntary redundancy has been received which, if achieved, should obviate the need for any compulsory redundancies.
- 7.10 Employees within the Chief Executive's department have already been offered the opportunity to be considered as redeployees and, as the proposals contained within this report are implemented it will be possible more closely to identify the individuals whose jobs will be "at risk" of redundancy and work will be undertaken with these individuals in order to seek suitable alternative employment elsewhere within the Council wherever possible.

- 7.11 New posts created through these proposals will also, in some cases, provide suitable alternative employment for some of the staff affected and a process to match skills, experience and knowledge to new posts will ensure that the principles contained within the Council's change management procedures are applied.

Equalities implications

- 7.12 The proposals in this report provide a modest enhancement of the Equalities team, subject to the extent to which the team provides additional support to the rest of the Policy & Improvement team, and continue the location where it can best influence the Council's Equalities work.
- 7.13 The proposals will be implemented in accordance with the Council's policies and procedures on Equalities.

Legal implications

- 7.14 The proposals have no particular legal implications but they will be implemented in accordance with employment law.

Crime and disorder implications

- 7.15 The proposals in this report significantly boost the ability of the Council to implement its Safe City priority.

Information technology implications

- 7.16 There are no IT implications.

Property implications

- 7.17 There are no property implications.

Risk management

- 7.18 The proposals in this report seek to strike the best balance between the need to achieve significant savings in anticipation of future financial constraints and the need to preserve the Council's capacity to implement its developmental work (particularly as set out in the Organisational Effectiveness Programme) and maintain operational service delivery central to the good governance of the Council. The proposals seeks to provide resilience in the face of the need for further savings and avoid the risk of unnecessarily disruptive structural change.

Section 8 - Other issues left over from stage one of the Council organisational review

8.1 Much of the organisational review approved by the Executive in July 2005 has been implemented. The new directorates are up and running, directors are appointed and the new Corporate Management Team is working well, both corporately and as a team. Consequential restructuring in directorates below director level is either taking place or, in the case of Neighbourhood Services, will be reported to members shortly. Preceding sections of this report deal with those outstanding matters relating to the Chief Executive's department, particularly consideration of a single corporate and central services directorate and the future location of Safe City. Other outstanding issues (excluding the future of the Council's Youth Service) and a proposed way forward for them are set out below.

Joint appointment of Director of Adult Social Services with the Primary Care Trust (PCT)

8.2 In view of the proposals for the restructuring of the PCT the Executive subsequently decided not to delay the filling of the post of Housing and Adult Social Services pending the outcome of discussions with the PCT.

Integration of services with PCT

8.3 The Director of Housing and Adult Social Services will be holding discussions with the PCT on opportunities for integrating and sharing services as proposals are developed for the creation of new PCT structures.

Housing Services

8.4 The Executive was of the view that Housing Services should remain with Adult Social Services until opportunities for the joint discharge of the PCT's and Council's public health functions had been determined. The creation of the new PCT will allow opportunities for the joint discharge of public health functions to be considered, and in the meantime it is recommended that Housing Services stay within the current Directorate of Housing and Adult Social Services.

Future location of Arts, Culture, Libraries and Heritage, Parks and Open Spaces and Sport and Active Leisure

8.5 The Executive was of the view that the future location of these services should be reviewed at stage two of the organisational review. This report contains no proposals for changing the current arrangements.

Parking Services

8.6 The Executive decided that a final decision on the location of Parking Services should be deferred until stage two. It is proposed that Parking

Services remain with City Strategy, but that opportunities for close working with Neighbourhood Services be kept under review.

Location of waste management services

8.7 It is proposed that Neighbourhood Services have full responsibility for operational service delivery (eliminating unnecessary client contractor splits) and that proposals to achieve this are included within forthcoming reports from the Director of Neighbourhood Services on a new structure for Neighbourhood Services and from the Director of Resources on client/contractor splits. The Council's strategic approach to the long term future of waste production and treatment (including the development of the private finance initiative project with North Yorkshire County Council) should remain with City Strategy.

Recommendations

8.8 The Committee is not recommended to approve any further changes in the organisational structure of the Council at this stage.

Reasons: The Council's current service arrangements are broadly consistent with the principles of the organisational review and the risks of disruption caused by further significant change could outweigh the intended benefits.

Section 9 – Summary of recommendations

From section 3: Combining the Chief Executive's department and Resources

- 9.1 To approve the creation of a new directorate combining the Chief Executive's department and Resources directorate;
- 9.2 To authorise the Chief Executive, in consultation with the Leader, to establish the new directorate, taking account of the Committee's decisions on the restructuring of the Chief Executive's department and in a way that permits an evolutionary approach to integration as opportunities present themselves.

Reasons: To achieve efficiency savings over time and to make the best use of complementary functions.

From section 4: Proposals for overall chief officer structure

- 9.3 To approve an overall chief officer structure for a combined Chief Executive's department and Resources directorate as set out in option 2c;
- 9.4 To delete the existing posts of Deputy Chief Executive and part time Personal Assistant (and associated budgets), Head of Performance Improvement and Head of Human Resources;
- 9.5 To create a new post at director level with overall responsibility for Civic, Democratic and Legal Services, Human Resources, Policy & Improvement and Marketing & Communications;
- 9.6 To authorise the Chief Executive to proceed immediately with recruitment to the new director level post and, in consultation with the Appointments Committee, to engage the services of a recruitment consultant;
- 9.7 To approve the establishment of, and appoint members to, an Appointments Committee consisting of three members (two from the majority party and one from the main opposition party);
- 9.8 To approve expenditure of up to £20,000 on a recruitment consultant, to be met from one off underspends on chief officer salaries in the Chief Executive's department or, to the extent that they are insufficient, from the Council's contingency;
- 9.9 To approve the designation of the Director of Resources as Deputy Chief Executive to assist the Chief Executive and act in his absence or unavailability.

Reasons: To create and recruit to a structure which combines the best mix of savings and management capacity most suited to lead a restructured Chief Executive's department.

From section 5: Transfer of functions and resources to other directorates

- 9.10 To confirm the Executive's decision in July 2005 to transfer responsibility for the Local Strategic Partnership to City Strategy;
- 9.11 To approve the transfer to City Strategy of responsibility, currently within the remit of the Chief Executive's department, for York's Local Area Agreement, corporate voluntary sector work and partnership development and oversight work as described in section 5.2, subject to the Chief Executive being authorised to implement the transfer when City Strategy is best able to accommodate its new responsibilities;
- 9.12 To approve the establishment in principle of the following posts in City Strategy:
- a new post at PO17-20 to manage LSP and associated work set out in section 5.2 and in paragraph 5.3.3;
 - a partnership officer post to carry out the partnership development and oversight work described in paragraph 5.2.2;
- subject to the approval of job descriptions and grades by the Director of City Strategy in consultation with the Leader, or by the Leader through the City Strategy EMAP;
- 9.13 To approve the transfer from the Chief Executive's department to City Strategy of funding for the posts mentioned above (of an amount sufficient to meet the costs of posts up to a grade of PO17-20 for the manager post and PO1-4 for the partnership post), subject to the creation of the posts and the appointment of post holders;
- 9.14 To approve the transfer to City Strategy of two posts of Senior Partnership Support Officer (PO3-6) in the Chief Executive's department with their post holders and staffing budgets, subject to the Chief Executive being authorised to implement the transfer when City Strategy is ready to accommodate the posts;
- 9.15 To approve the deletion of the vacant post of Partnership & Improvement Officer (PO1-4) in the Chief Executive's department;
- 9.16 To approve the transfer from the Chief Executive's department to Neighbourhood Services of operational responsibility, and to City Strategy of strategic planning responsibility, for Safe City as described in section 5.3;
- 9.17 To approve the establishment in principle of a new post of Safe City Co-ordinator at PO1-4 in Neighbourhood Services, subject to subsequent formal member approval of the post's role, grade and location on consideration of a report to be brought forward by the Director of Neighbourhood Services on proposals for restructuring Neighbourhood Services;

- 9.18 To approve the transfer from the Chief Executive's department to Neighbourhood Services of funding for the Safe City Co-ordinator post (of an amount sufficient to meet the cost of a post up to a grade of PO1-4), subject to the creation of the post and appointment of a post holder;
- 9.19 To approve the transfer from the Chief Executive's department to Resources of the Customer function currently vested in the Chief Executive's department, and lead responsibility for the implementation of the Council's customer focus priority, subject to consideration by the relevant EMAP of resources which could be made available for this work and the scope of the work which could be achieved within such resources;
- 9.20 To approve the transfer from the Chief Executive's department to Resources of the responsibility currently vested in the Chief Executive's department for managing the Council's relationship with the Audit Commission on inspections and beat value work;
- 9.21 To approve the transfer from the Chief Executive's department to Resources of the posts of Web Manager and Web Assistant with their post holders and staff budgets, subject to the Chief Executive being authorised to implement the transfer when the Director of Resources is ready to accommodate these posts and appropriate arrangements have been put in place to ensure accountability to the Head of Marketing & Communications for compliance with the Council's communications policy;
- 9.22 To approve the transfer from the Chief Executive's department to City Strategy of responsibility for the Chief Executive's department's business support functions, together with the existing post of Business and Performance Manager, its post holder and staff budget, subject to the transfer not being implemented until City Strategy has created a structure for its business support functions (to include business support for Resources) which accommodates the transferred post.

Reasons: The transfer of functions and resources are recommended to implement the decisions of the Executive at stage one of the Council organisational review, and to achieve consistency with current service arrangements.

From section 6: Portfolios and detailed staffing structure

- 9.23 To approve the deletion of the vacant post of half time Administrative Assistant in Civic, Democratic & Legal Services;
- 9.24 To approve a permanent reduction in a post of Democracy Officer from full time to 0.6, subject to the Democracy and Member Support Manager being authorised to implement this decision;
- 9.25 To approve the deletion of the post of Scrutiny Manager and absorption of its responsibilities within the post of Democracy and Member Support Manager;
- 9.26 To approve the creation of a new post of Scrutiny Officer at SO1/2;

- 9.27 To approve the allocation of funding of £18,000 to the approved establishment post of Clerical Assistant in Electoral Services;
- 9.28 To approve the deletion of the following posts in Performance Improvement:
- Service Improvement Manager (PO17-20);
 - an unfunded and vacant manager post (PO17-20);
 - a vacant post of 0.5 fte Administrator (Scale 2);
 - a post of Service Improvement Officer (PO14-17);
 - two vacant posts of Improvement Officers (PO6-9).
- 9.29 To approve the permanent regrading of an Improvement Assistant (Scale 5) in the Equalities team to SO1;
- 9.30 To approve the establishment of a combined Policy & Improvement team out of the current Policy Development and Performance Improvement teams consisting of:
- two Service Improvement Officers (PO14-17);
 - two Improvement Officers (PO12-15);
 - one Improvement Assistant (Scale 5);
 - one Local Public Services Agreement Support Officer (3 year fixed term post) (PO1-4);
 - the current Policy Development team;
 - the current Equalities team (as amended above).
- 9.31 To approve the devolution of operational HR services in principle, subject to review by the new chief officer responsible for HR and the approval by the Leader at a City Strategy EMAP of clear proposals for the operation of a devolved service which safeguard compliance with the Council's HR policies and procedures.

Reasons: The recommendations seek to strike the best balance between the need to identify significant savings and the need to protect important work of the Council and direct resources to the Council's recently approved corporate priorities.

From section 8: Other issues left over from stage one of the Council organisational review

- 9.32 The Committee is not recommended to approve any further changes in the organisational structure of the Council at this stage.

Reasons: The Council's current service arrangements are broadly consistent with the principles of the organisational review and the risks of disruption caused by further significant change could outweigh the intended benefits.

Contact Details

Author:

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David Atkinson
Chief Executive
Contact: 01904 551000

Chief Officer Responsible for the report:

David Atkinson
Chief Executive

**Report
Approved**

Date

14 August 2006

Specialist Implications Officer(s)

Financial

*Name: Patrick Looker
Title Finance Manager, City Strategy
Tel No. 551633*

Human Resources

*Name: Ken Green
Title Head of HR
Tel No. 551701*

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Annexes:

- Annex 1: Summary of current team functions and staffing structures within the Chief Executive's department (extracted from 2006/07 service plans)
- Annex 2: Analysis of work Improvement activity
- Annex 3: Confidential – cost implications of staffing changes

Background Papers:

Organisational review – report to the executive 12 July 2005

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Summary of current team functions & staffing structures within Chief Executive's Department

PERFORMANCE IMPROVEMENT TEAM

Team Structure



Service Description

The Performance Improvement Team is located in the Guildhall as part of the Chief Executive's Directorate. Serving the Council's political and managerial leadership and 6 service directorates, a team of 17 staff carry out five key functions:

- Service Improvement
- Planning & Performance
- Equalities
- LSP & other Partnership Working
- Business Support to the Chief Executive's directorate

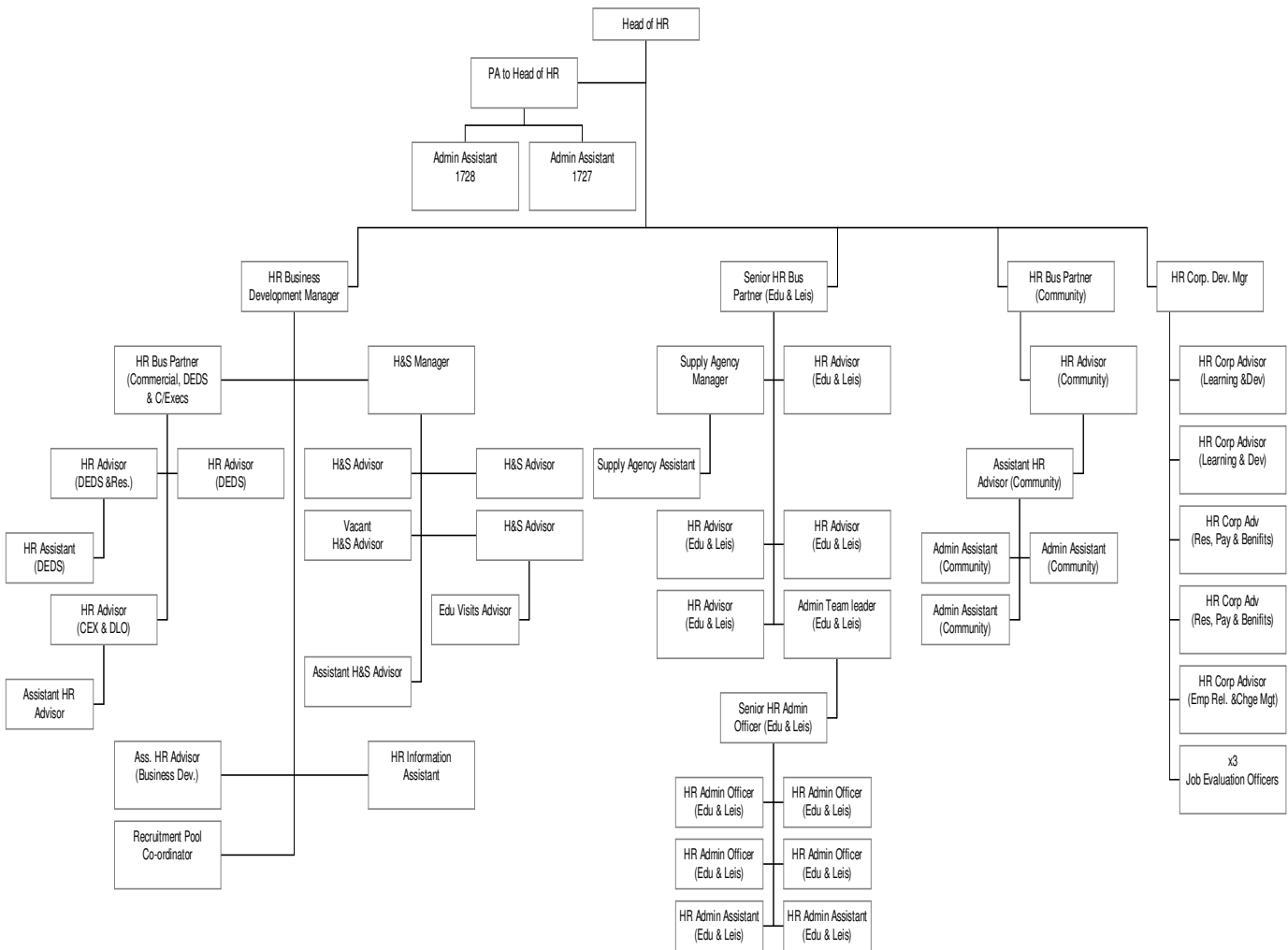
The team's work helps the authority develop and achieve its strategic ambitions. This is carried out by promoting continual improvement and encouraging an overall performance management culture which encompasses strategic and service planning, performance monitoring and reporting. It works with other directorates to support delivery of services and promote organisational improvement. Specifically the Performance Improvement Team delivers services which:

- Promotes the adoption of the Council's approved improvement methodology and management techniques to help services to become self sufficient in continual improvement.
- Leads service improvement in priority areas, e.g. easy@york and working closely with individual services. This in turns helps to significantly improve the quality of services to customers.
- Helps to deliver the Transforming York Programme, providing corporate support and underpinning service delivery. Advice and assistance on areas of service planning, target setting, performance monitoring and development of the QPR performance recording and reporting system.

- Meets the Council's statutory requirement to produce an Annual Council Plan, which informs service planning across the Council, providing past performance but more recently with a greater focus on plans for the future, setting out how the Council aims to achieve the authorities high level deliverables and therefore the four corporate priorities (York Pride, Safer City, Good Customer Access to Services and Transforming York).
- Helps to deliver the City's Vision for the future and Community Strategy up to 2024 which will help to improve the day-to-day life of the people who live and work in York through delivery of the LAA.
- Leads and co-ordinates corporate improvement programmes such as LPSA.
- Manages external inspection processes such as Comprehensive Performance Assessments (CPA), Audit Commission Inspections, to help meet the authority's legislative obligations and attain it's ambitions to retain its 'good' CPA status in 2007.
- Ensures the Council achieves the Equality Standard for Local Government by helping directorates to review their work practices to ensure that they meet and exceed current equality standards and legislation. Championing equality issues both corporately and with voluntary and community organisations.
- Helps mainstream Safe City activities into service planning to reduce crime in line with the objectives set out in the Community Safety Plan.
- Provides business support to the Chief Executive's directorate by managing the cross cutting functions such as Performance Management, Equalities, Health and Safety, Risk Management, etc, across the wide and diverse range of 12 service units.
- Provides additional support for the Deputy Chief Executive and partnerships across the Council.

HUMAN RESOURCES

Team Structure



Service Description

- To provide strategic and operational advice and support to the Council at every level on the deployment, development and management of employees
- To act as the professional lead on all employment related matters and create a strategic framework which maintains the single employer concept whilst meeting the diverse needs of a multi-functional organization

The service covers 4 main areas:

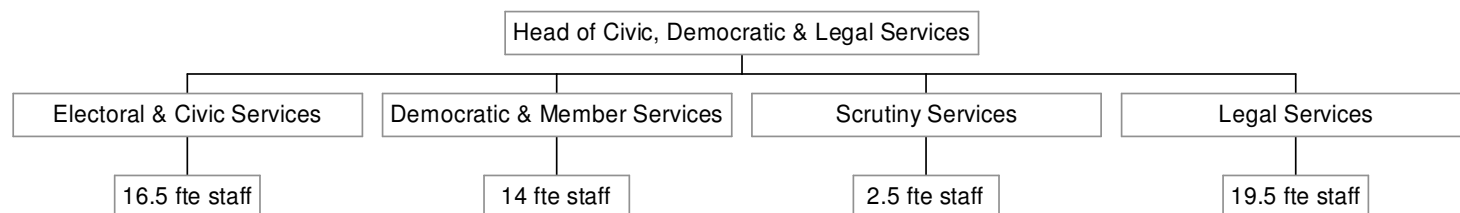
- Corporate Policy Development – Providing and supporting the corporate policy framework. Delivering expert advice and guidance in specific areas in order to provide a centre of excellence for HR policy, support and advice
- Operations – Providing first line operational HR support to Directors and managers, contributing towards strategic policy development, bringing practical experience of the application of HR policies and procedures
- Business Development – Providing a savings and efficiencies focus on HR processes, managing HR related supplier contracts and developing HR information provision
- Health and Safety – Providing expertise and advice at corporate and directorate levels in order to ensure the provision of a safe and healthy working environment, the maintenance of safe working practices and contributing to the maintenance of a healthy workforce.

Main customers are:

- Elected Members
- Council Management Team
- Corporate Operations Group
- Chief Officers
- Line Managers
- Employees
- Trade Unions
- Potential future council employees

CIVIC, DEMOCRATIC & LEGAL SERVICES

Team Structure



Service Description – Electoral Services

Customers – 140,000 electors, elected Members, candidates, election agents and parish councils

- To maintain and publish an accurate Register of Electors and associated lists. The registration of electors is a statutory duty. The Representation of the People Act 2000 and the Representation of the People Regulations 2001 introduced a system of rolling registration from February 2001. This is supplemented by an annual canvass and the publication of an annual register of electors.
- To provide advice and assistance in connection with the registration of declaration voters, including service voters, voluntary mental patients, overseas electors and European Union citizens.
- To ensure that the legislation for Parliamentary, European Parliamentary, City Council, Parish Council. Parish Polls and Referenda to meet the Council's statutory duty.
- Provide advice on electoral matters to Members, electors, election candidates, elections agents and parish councils.
- Provide as far as possible polling places and equipment suitable for all electors including the elderly and disabled.
- To process Freedom of the City applications and organise the annual Freedom Court.
- To maintain a system of rolling registration in accordance with the Representation of the People Regulations 2001
- To maintain absent voting on demand in respect of all elections.

Service Description – Civic Services

Customers – citizens of York, Civic Party, hirers of the Guildhall/ Mansion House, City of York Council staff

- To provide support services to the Lord Mayor and Civic Party including, hospitality, housekeeping, chauffeuring and secretarial.
- The planning and co-ordination of official engagements and special events
- Caretaking and facilities management of the Guildhall and Mansion House
- To provide a reliable messenger service corporately and to external city partners

- To provide an effective front line customer service for the Guildhall and Chief Executive's department

Service Description – Democratic Services

Customers - Elected Members, Council Officers and the public.

Democratic Services encompasses Democracy and Member Support Groups, whose work is interlinked in that they support the decision-making process and Members' roles within it.

Democracy Support Group

- To prepare and dispatch agendas for Council meetings held throughout the municipal year.
- To administer procedures for Appeals and Licensing hearings.
- To attend formal & informal meetings involving Members, advise Members and Officers on the decision making process, procedure and Constitution, and to take minutes.
- To produce minutes of all decision-making meetings attended, and to produce decision letters in respect of Appeals and Licensing hearings.
- To convene meetings and business in accordance with legal requirements.
- To ensure provision of information to residents relating to decisions to be made and maximize opportunities for public participation at Council meetings.
- To maintain and contribute to periodic reviews of the Council's Constitution.

Member Support Group

- To administer the Council's Forward Plan
- To process Members allowances, salaries and expenses for payment and provide a range of IT and support equipment and facilities for Members.
- To produce an induction framework and a structured programme of development for elected Members.
- To administer Decisions on Line and produce corporate Diary of Meetings.
- To maintain statutory and non-statutory registers.
- To organise school appeals panels
- To publish bound minutes of Council meetings
- To provide a delivery service to Members of agendas and supporting information twice weekly.

Scrutiny Services

Scrutiny Services provides non-executive members and co-optees with practical support and advice to fulfill their scrutiny roles according to the requirements of the Local Government Act 2000. Scrutiny Officers attend and advise members and co-optees at meetings of the nine scrutiny boards, ad hoc panels and the Scrutiny Management Committee. The service provides Council officers and members of the public with a central point of contact for scrutiny matters.

- To provide a research, project management, and support function to elected and co-opted scrutiny members
- To support the production of clear reports, including recommendations, from scrutiny boards to the Executive and local NHS bodies where appropriate
- To ensure that the scrutiny function properly identifies and works with internal and external partners

Service Description – Legal Services

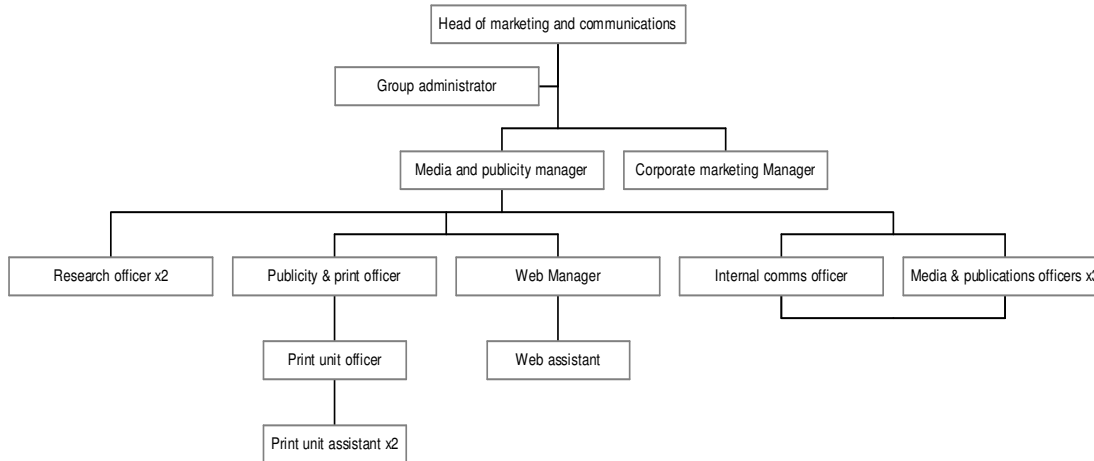
Legal:

Customers – Members and City of York Council staff

- To provide advice on the nature and extent of the powers and duties and obligations of the Council in seeking to achieve its goals and to carry out its objectives.
- Employs 8 solicitors, 7 legal assistants and 4.5 FTE support staff
- Has Lexcel accreditation by the Law Society

MARKETING & COMMUNICATIONS

Team Structure



Description of Service

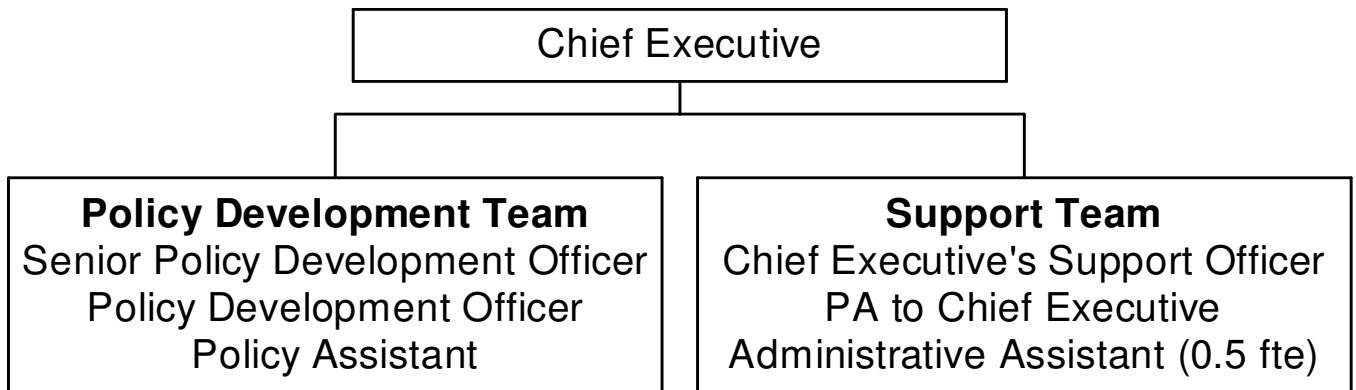
The Marketing and Communications team (m&c) primary role is to manage the council's reputation. It leads the council's media, publicity, marketing, print, research, consultation and web activity providing these services to Directorates and Members, as well as directly to the corporate council. The team also manages the Guildhall print unit.

The service's main functions are:

- to maintain and develop the council's relationship with national, regional and local news media, and promote council news and information for media inclusion through the press office
- to be the council's corporate marketing service, including the commissioning of publicity material, exhibition materials and corporate literature
- to produce *Your City*, writing copy and overseeing design and production of internal publications, *News and Jobs* and *News in Depth* and other internal and external publications
- to manage and maintain the council's corporate website and provide advice and guidance for other web development work by council departments
- to provide plain English, design and publicity advice for all corporate publications
- to communicate with the council's internal audiences (primarily staff) in liaison with HR and through *News and Jobs* and *News in Depth*
- to provide an electronic clippings service on press coverage of council and related issues
- to produce a monthly report of all m&c activities.

POLICY & SUPPORT TEAM

Team Structure



Service Description

- Identifying the key national, regional and local developments that have corporate significance;
- Assessing their implications for the Council;
- Advising on an appropriate response;
- Providing business support to the Chief Executive.

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Performance Improvement Team (PIT) - current work being undertaken/not being undertaken

Current work which PIT is involved in leading or supporting

- Promoting and embedding the use of the Council's approved approach to service improvement
- Supporting service improvement projects – including easy@york programme
- Supporting the development and embedding of improved corporate planning and corporate prioritisation arrangements
- Supporting the development and embedding of improved corporate performance arrangements (through, for example, joint Executive/CMT performance monitor sessions)
- Ensuring an effective response to CPA
- Driving forward the improvement and ongoing delivery of the corporate management cycle (including improving Council Plan process, enhancing service planning and improving performance management/performance monitoring, LPSA)
- Supporting the development of improved corporate leadership arrangements (for example, through CLG, COG)
- Supporting successful inspection outcomes (e.g. peer review, JAR, CPA)
- Supporting the strategic management of Chief Executives
- Developing and embedding improved operational performance management
- Promoting and embedding an equalities culture
- Supporting development and embedding of Local Strategic Partnership and LAA
- Supporting capacity building within the voluntary and community sector, including grants
- Providing business management support to the Chief Executives directorate
- Supporting Safer York Partnership and the community safety agenda

Work in PIT current scope but which is not in current workplans (with reasons)

| | |
|---|--|
| Work on promoting customer focus (complaints, standards, contracts) | Not a priority in PIT service plan. Improvement post left unfilled pending restructure |
| Support to a wider range of service improvement/best value/efficiency projects | Service Improvement resources dedicated to supporting service improvement in easy@york |
| Further improvement to performance management arrangements (by fully exploiting capabilities of QPR) | Other work (e.g. LPSA2) given higher priority |
| Improvements to project management arrangements within the council | Other work given higher priority. Some improvement work taken forward by Resources |
| Supporting the development of partnership working | Partnership post left unfilled pending restructure |
| Developing and embedding improved use of data within the Council | Other work given higher priority. |

Improvement “Team” (structure proposed in latest report)

- what work within PIT’s current scope appears to fall WITHIN and OUTSIDE the remit of the improvement function proposed in the new structure

Work within PIT’s current scope which appears to fall WITHIN the remit of the proposed improvement function

Promoting and embedding the use of the Council's approved approach to service improvement

Supporting a wide range of service improvement/best value/efficiency projects

Supporting the development and embedding of improved corporate planning, corporate performance management and corporate prioritisation arrangements

Supporting the development and embedding of improved corporate performance arrangements (through, for example, joint Executive/CMT performance monitor sessions)

Ensuring an effective response to CPA

Driving forward the improvement and ongoing delivery of the corporate management cycle (including improving Council Plan process, enhancing service planning and improving performance management/performance monitoring, LPSA)

Supporting the development of improved corporate leadership arrangements (for example, through CLG, COG)

Supporting successful inspection outcomes (e.g. peer review, JAR, CPA)

Developing and embedding improved operational performance management systems (by fully exploiting capabilities of QPR)

Improvements to project management arrangements within the council

Developing and embedding improved use of data within the Council

Promoting and embedding an equalities culture (*through Policy arm of the new structure*)

Work within PIT’s current scope which appears to fall OUTSIDE the remit of the proposed improvement function (with new location)

| | |
|--|---------------------------|
| Supporting development and embedding of Local Strategic Partnership and Local Area Agreement | City Strategy |
| Supporting capacity building within the voluntary and community sector | City Strategy |
| Supporting the development of partnership working | City Strategy |
| Providing business management support to the Chief Executives directorate | City Strategy |
| Supporting Safer York Partnership and the community safety agenda | Neighbourhoods |
| Supporting the strategic management of Chief Executives | Assistant Chief Executive |
| Work on promoting customer focus (complaints, standards, contracts) | Resources |

Improvement Team (proposed structure)

- what the Improvement resources proposed in the new structure appear to provide the CAPACITY to deliver or NOT to deliver

What the improvement resources proposed within the new structure provide the CAPACITY to deliver (related to PIT's current function and the Organisational Effectiveness Programme (OEP)) [FTE estimates have been included for completeness]

| | |
|---|--------|
| Promoting and embedding the use of the Council's approved approach to service improvement | 1.8fte |
| Ensuring an effective response to CPA | 0.2fte |
| Driving forward the improvement and ongoing delivery of the corporate management cycle (including improving Council Plan process, enhancing service planning and improving performance management/performance monitoring, LPSA) | 2.3fte |
| Supporting successful inspection outcomes (e.g. peer review, JAR, CPA) | 0.5fte |
| Developing and embedding improved use of data within the Council | 0.2fte |
| Promoting and embedding an equalities culture (<i>through Policy arm of the new structure</i>) | 2.0fte |

What the improvement resources proposed within the new structure DO NOT provide the CAPACITY to deliver (related to PIT's current function, the corporate strategy and the Organisational Effectiveness Programme (OEP))

| | |
|---|---------|
| <i>Priority activities for Improvement function as defined by Chief Executive</i> | |
| OEP programme management and support | 0.25fte |
| Supporting the FURTHER development of improved corporate planning, corporate performance management and corporate prioritisation arrangements – including supporting the delivery of the Corporate Strategy | 1.25fte |
| Improvements to programme/project management arrangements within the council | 0.5fte |

Lower priority activities for Improvement function as defined by Chief Executive

| | |
|--|--|
| Supporting a wide range of service improvement/best value/efficiency projects | |
| EMBEDDING improved corporate leadership arrangements (eg, through CLG, COG) | |
| Supporting elements of the OEP not covered within the scope of the above (for example: data hub, communications, easy@york, customers) | |

Further improvement to performance management arrangements by fully exploiting the capabilities of QPR is potentially also a priority activity for the improvement function. The costs and benefits of this work are currently being assessed. If additional resource

requirements are identified then these will be subject to a (one-off) growth bid.

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Urgency Committee**18 August 2006**

Report of the Director of Resources

Statement of Accounts 2005/06**Summary**

- 1 This report sets out the changes that have been made to the Statement of Accounts approved at Council on 2 June 2006, the reasons for the changes and seeks approval for the revised Statement of Accounts.
- 2 The report, and the Accounts, are being brought to Urgency Committee because there is a statutory requirement that the representative of the Audit Commission, the District Auditor, gives his opinion on the latest set of Accounts that have been approved by Members, and the District Auditor has to give his opinion before 30 September 2006. There is not a Council meeting that would meet these requirements.

Background

- 3 Members will recall that it is now a statutory requirement that the formal Statement of Accounts are approved by 30 June each year, and the audit completed by 30 September. The Accounts for 2005/06 is the first year that this requirement has existed. Members will also recollect that they were advised that due to the accelerated processes needed to meet the new statutory deadlines it was possible that a revised Statement of Accounts may need to be presented for approval if major changes were needed.

Reasons for Changes

- 4 Prior to formal ratification of the Accounts by Council a copy of the draft accounts were given to the district auditor to enable them to start preliminary audit work. A question was raised about whether or not the correct valuation had been made for the social housing element of the council housing stock. This was referred to the Property Division within Resources Directorate who advised that the figures supplied were correct.
- 5 In July 2005 the then Office of the Deputy Prime Minister (ODPM), which now is the Department for Communities and Local Government (DCLG), issued a notification that the proportion of total value of the housing stock that must be included within fixed assets in the Accounts as the 'social housing' value should be reduced from 55% to 47% of the gross value, with effect from April 2005. Since the Accounts were approved it has been confirmed that this adjustment should have been made retrospectively to the full Housing Revenue Account

(HRA) re-valuation exercise that had taken place between January and April 2005 using the then approved rate of 55%. This had not happened. The implications of changing this is to reduce the value of the assets in the balance sheet by £61m, with consequential amendments to the Fixed Asset Restatement Account and the Capital Financing Account in the Total Equity on the Balance Sheet as well as alterations to the Consolidated Revenue Account, the Housing Revenue Account, the Statement of Movement on Reserves and the Foreword.

- 6 The ODPM guidelines are not regularly changed with regard to HRA valuations, but the most recent issue would be checked during the process of re-valuation. This process would normally take place between January and 31 March each year. In this case the guidelines affecting this re-valuation were not released until July.
- 7 The responsibility for undertaking the re-valuation rests with our consultants Stephensons and as such they are responsible for ensuring the current guidelines have been used. Equally, in quality checking their work Property Services should also be aware of the current guidelines.
- 8 To introduce a failsafe procedure and avoid a repeat of this incident the following process will be put in place:
 - To ensure that both our consultant and Property Services are on the ODPM (DCLG) circulation list for amendments and releases of their guidelines
 - To ensure that both our consultant and Property Services regularly enquire of the ODPM (DCLG) regarding forthcoming changes and releases (this is now a diarised event)
 - A further check to be carried out during Property Services quality assessment of the consultant's work prior to sign off.
- 9 A second change required is on one of the notes to the Consolidated Balance Sheet, where the prepayment introduced into the Accounts for the Private Finance Initiatives (PFI) scheme was not reflected in note 5, the capital financing requirement. Although the amendment is an adjustment of £4m it is in an explanatory note to the Accounts, which simply shows the expenditure treated as capital in the Accounts, and what resources have been used to finance it. This amendment is a consequential change to a recent agreement with the district auditor on how best to reflect the PFI transactions in the Council's Accounts.
- 10 In addition, money set aside for potential employee claims were moved from being designated as a provision to being a reserve as the Council is applying for 'capitalisation' powers for this expenditure. In the view of the technical division of the Audit Commission until such powers are granted the sums should continue to be shown as a provision in the accounts, and this has been agreed. The difference between provisions and reserves is a technical one, with the impact on the Accounts being whether the sum set aside is shown within long-term liabilities (where a provision is included, representing sums set aside for liabilities or losses which are certain to arise but owing to their inherent nature cannot be quantified with any certainty) or in the equity (where a reserve is included,

representing sums set aside for earmarked purposes). Other changes resulting from this are on the Consolidated Revenue Account, note 1 to the Cash Flow Statement and the Statement of Movement on Reserves. There may still be an issue over the level of the sum the Council has set-aside for equal pay compensation payments, but that will be raised by the district auditor in his 'Annual Governance Report' to the Executive in September.

- 11 Finally, it is a requirement of the Code of Practice that the Post Balance Sheet Event section on page 67 (note number 33 to the Consolidated Balance Sheet) should be continually updated up to, and including, the time that the Accounts are formerly 'signed-off' by the District Auditor. The existing entry on the status of the potential capping threat to the Council has been updated as there has been a resolution to this issue, and a further entry has been made in relation to a forward deal on investment that the Council has entered into under the revised prudential indicators agreed by Members. The opportunity has also been taken to correct some presentation and typographic issues.

Effect of the Changes

- 12 There is a level of materiality to be considered about changes to the Statement of Accounts. The Audit Commission would consider that any amendments where the cumulative effect is above £2m are material, and at this level Member approval should be sought. The revaluation of Council House dwellings alone has reduced the value of fixed assets by £61.089m and so approval is needed to the revised accounts. However, if, in any year, amendments are needed that change the financial position of the Council the Director of Resources would bring a revised statement to Members, even if the sums involved were less than £2m.
- 13 Full details of all the changes made are shown in Annex 1 and a revised Statement of Accounts is attached as a separate document.

Consultation

- 14 The original Statement of Accounts was presented to both the Audit and Governance Committee and the Executive for scrutiny to enable Members to request further information on any matters included within the Accounts, or to request further information to be presented to them at a later date.

Options

- 15 There are no alternative options applicable to this paper.

Analysis

- 16 The analysis of the changes needed to the Statement of Accounts is included in Annex 1.

Corporate Objectives

- 17 When determining the CPA score for the Council consideration is given to whether or not the Statement of Accounts has both been approved by the Council and received its audit certificate within the statutory time-frames.

Implications

- 18 The implications are
- Financial - the changes as detailed in Annex 1 result in major changes to the Consolidated Balance Sheet (the revaluation of council dwellings), with presentational changes for the provision/reserves issue. The implications from these changes are reflected in other statements in the Accounts and in the notes to the Statements. Also there are minor amendments to the notes to some of the statements, including correction of typographic errors. Although there are some large numbers involved in these amendments they do not affect the financial standing or viability of the Council as the changes are all about accounting entries in the Accounts - there are no changes that affect the financial surpluses of the Accounts.
 - Human Resources - there are no human resource implications to this report.
 - Equalities - there are no equality implications to this report.
 - Legal - there are no legal implications to this report.
 - Crime and Disorder - there are no crime and disorder implications to this report.
 - Information Technology - there are no information technology implications to this report.
 - Property - there are no property implications to this report.
 - Other - there are no other implications to this report.

Risk Management

- 19 Failure to approve and sign off the revised Statement of Accounts will result in the Council receiving a 'qualification', that the accounts presented do not present fairly the financial position of the Council, from the District Auditor when he issues his statement to be incorporated in the published Accounts.

Recommendations

- 20 Members are asked to agree the amendments set out in Annex 1 and approve the revised Statement of Accounts for the financial year 2005/06

Reason: The revised Accounts have to be formally approved by Members before the District Auditor can give his opinion on them

21 Members are requested to authorise the Chair of this Committee to sign and date page five of the Accounts as the formal record that Members have approved them.

Reason: The Accounts must be signed and dated at their formal approval by the Chair of the meeting.

Contact Details

Author:

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Chief Officer responsible for the report:

Simon Wiles
Director of Resources

| | | | |
|-----------------|---|------|----------------|
| Report approved | √ | Date | 10 August 2006 |
|-----------------|---|------|----------------|

Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all* **All**

√

For further information please contact the author of this report

Background Working Papers

Statement of Accounts 2005/06
Closure of Accounts files held in the City Finance Centre

Annexes

Annex 1 - Details of all the changes made to the Statement of Accounts

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Details of all the changes made to the Statement of Accounts

Foreword

Page (vii) (Consolidated Revenue Account cont'd)

Second paragraph - gross expenditure on services revised to £355.5m (from £358.9m) to reflect the reduced charge to the revenue accounts for depreciation and notional interest following the downwards revaluation for social housing as shown in the Consolidated Revenue Account.

Both pie charts amended in line with reduced gross service expenditure.

Page (viii) (Consolidated Revenue Account cont'd)

Pie chart amended in line with funding changes and in the paragraph under the pie chart the general fund income is revised to £354.4m (from £357.8m) to reflect the fact that the depreciation and notional interest charges are funded via the AMRA and the CFA and are not a charge against council tax or housing rents.

Page (xii) (Changes in Accounting Policies)

A new paragraph has been included to explain the change in valuation for social housing purposes.

Page (xii) (Significant Points to Note in Respect of the Balance Sheet (Page 48))

The first paragraph has been rewritten to reflect the new position subsequent to incorporating the social housing changes, and to explain the movement on the Fixed Asset Restatement Account.

The fourth paragraph has been deleted, as the transfer between provisions and reserves has not now been made.

Statement of Responsibilities (page 5)

The 'Approval of the Accounts' section at the bottom has been amended to show the date of this Urgency Committee and the name of the chair of the meeting.

Statement of Accounting Policies (page 17)

Page 17 Note 7 (Tangible Fixed Assets)

The penultimate paragraph has been amended to include the information that depreciation charges commence in the first full year that assets are used, and not in the year of acquisition:

Consolidated Revenue Account (page 24)

The changes are shown in the following table:

| | Original | Variation | Revised |
|--|--------------|-----------|----------------|
| | St. of Accts | | St. of Accts |
| | £(000) | £(000) | £(000) |
| General Fund Services | | | |
| <u>Exceptional Items</u> - amended for rounding purposes to balance gross expenditure and income | | | |
| Gross expenditure | 598 | +1 | 599 |
| Income | (1,720) | (1) | (1,721) |
| Net expenditure | (1,122) | - | (1,122) |
| Net Cost of General Fund Services - amended for rounding purposes to balance gross expenditure and income | | | |
| Gross expenditure | 310,695 | +1 | 310,696 |
| Income | (136,300) | (1) | (136,301) |
| Net expenditure | 174,395 | - | 174,395 |
| <u>Housing Revenue Account</u> | | | |
| Gross expenditure | 48,184 | | |
| ' - to reflect the reduced depreciation charge subsequent to the downward value of council dwellings | | (1,247) | |
| ' - to reflect the reduced notional interest charge subsequent to the downward value of council dwellings | | (2,182) | 44,755 |
| Income - amended for rounding | (29,037) | 1 | (29,036) |
| Net expenditure | 19,147 | (3,428) | 15,719 |
| Net Cost of Services | | | |
| Gross expenditure | 358,879 | (3,428) | 355,451 |
| Income - amended for rounding | (165,337) | - | (165,3237) |
| Net expenditure | 193,542 | (3,428) | 190,114 |
| <u>Asset Management Revenue Account</u> | (23,292) | | |
| - to reflect the reduced notional interest charge to the HRA as a result of the reduced value of the assets that the interest is calculated on | | 2,182 | (21,110) |
| Net Operating Expenditure | 174,180 | (1,246) | 172,934 |
| Appropriations | | | |
| <u>Contribution to/(from) Provisions</u> | (1,225) | | |
| - reflecting the change needed to leave the sums set-aside for potential employee claims as a provision and not a reserve | | 1,500 | 275 |
| <u>Contribution to/(from) Reserves</u> | 206 | | |
| - reflecting the change needed to leave the sums set-aside for potential employee claims as a provision and not a reserve | | (1,500) | (1,294) |

| | Original | Variation | Revised |
|--|--------------|-----------|----------------|
| | St. of Accts | | St. of Accts |
| | £(000) | £(000) | £(000) |
| Contribution to/(from) CFA | (5,487) | | |
| - reflecting the change needed to fund the reduced depreciation charge and a small rounding amendment to ensure that this figure matches the one in note 18 to the Consolidated Balance Sheet on page 61 | | 1,246 | (4,241) |
| Amount to be met from Government Grant and Local Taxpayers - no net effect after all changes | 167,936 | - | 167,936 |

Notes to the Consolidated Revenue Account

Page 28 Note 8 (Asset Management Revenue Account)

The figures in the 2005/06 column in the table have been amended to show the revised position, i.e. the depreciation charge against the Housing Revenue Account is reduced to £7,979k (from £9,226k), with a consequential change in the total expenditure to £17,684k (from £18,931k). The income from capital charges made to the Housing Revenue Account is also reduced to £(21,938)k (from £(25,367)k), to reflect the reduced charge for both depreciation and notional interest.

Page 29 Note 9 (Pensions and Net Pensions Liability Movement in Year - Other Employees section)

A typographical error has been corrected in the table (teke-up has been corrected to take-up).

Page 29 Note 10 (Provisions)

This note has been amended to remove the information about transferring the provision to a reserve as that has now not happened.

Page 30 Note 11 (Reserves)

The figures in the net movement and 2005/06 columns for the 'Miscellaneous' row in the table have been amended to reflect the fact that the transfer from the provision has now not happened. The movement has been amended to £(904)k (from £(2,404)k) and the 2005/06 figure has been amended to £(5,854)k (from £(7,354)k), with consequential alterations to the total figures.

Page 30 Note 13 (Capital Financing Account)

The depreciation/impairment total for 2005/06 has been amended to £(9,163)k (from £(10,409)k), with changes to the totals, to reflect the reduced depreciation charges made to the HRA.

Housing Revenue Account (page 37)

The changes on this account are shown in the following table. The changes are all required to reflect the impact on the account of the lower value of property used for social housing purposes.

| | Original | Variation | Revised |
|---|--------------|-----------|---------------|
| | St. of Accts | | St. of Accts |
| | £(000) | £(000) | £(000) |
| Expenditure | | | |
| <u>Capital Charges - cost of capital charge</u> - amended to reflect the reduced notional interest charge | 16,427 | (2,182) | 14,245 |
| <u>Capital Charges - depreciation</u> - amended to reflect the reduced depreciation in line with reduced capital value for social housing purposes | 9,226 | (1,247) | 7,979 |
| Total Expenditure | 42,784 | (3,429) | 39,355 |
| Net Cost of Services | 18,456 | (3,429) | 15,027 |
| <u>Other Operating Costs</u> - net HRA expenditure/(income) on Asset Management Revenue Account | (15,464) | 2,182 | (13,282) |
| Net Operating Expenditure | 3,176 | (1,247) | 1,929 |
| Appropriations | | | |
| <u>Contribution to/(from) MRR</u> - reflecting the change needed for the changed depreciation charge | (4,804) | 1,247 | (3,557) |
| (Surplus)/Deficit for the year | (284) | - | (284) |

Notes to the Housing Revenue Account

Page 39 Note 6 (Cost of Capital Charge)

The cost of the capital charge in the year is changed to £13.959m (from £16.141m) to reflect the reduced fixed asset value on which the notional interest is calculated.

Page 39 Note 7 (Depreciation)

The figures in the table have been amended to show the revised position, i.e. the depreciation charge against dwelling is reduced to £7,851k (from £9,098k), with a consequential change in the total.

Page 41 Note 10 (HRA Expenditure on AMRA)

The figures in the table have been amended to show the revised position, i.e. the capital asset charges accounting adjustment is reduced to £(13,959)k (from £(16,141)k), with a consequential change in the total.

Page 41 Note 11 (FRS17 Transactions for the HRA)

This table has been amended to show the equivalent information to that shown on the CRA following the late receipt of disclosure requirements from CIPFA. A new row has been introduced to split the past service cost into past service cost and past service adjustment for assumed take-up level of new commutation option.

Page 41 Note 12 (Contribution to/(from) Major Repairs Reserve (MRR))

The figures in the table have been amended to show the revised position, i.e. the effect on the MRR of the changed depreciation charge in the year. The cost of depreciation charged that is higher than MRA is reduced to £(3,429)k (from £(4,676)k), with a consequential change in the total.

Page 42 Note 12 (Contribution to/(from) Major Repairs Reserve (MRR) cont'd)

The figures in the table have been amended to show the revised position, i.e. the effect on the MRR of the changed depreciation charge in the year. The cost of depreciation on HRA dwellings is changed to £(7,851)k (from £(9,098)k) and the transfer to the HRA during the financial year is reduced to £3,557k (from £4,804k). The net effect of these changes is nil.

Page 42 Note 13 (Movement of Fixed Assets)

The figures in the table have been amended to show the revised position for the value of the council housing dwellings as social housing, i.e. the effect of the change in the discount to be applied amends the revaluation figure to £(34,859)k (from £27,477k), and the depreciation charge is amended to £(7,851)k (from £(9,098)k), with consequential changes in the total columns and the value at 31.03.06 analysis.

The note under the table has been moved from being under the table on page 43.

Page 43 Note 13 (Movement of Fixed Assets cont'd)

The Total All Assets figures have been amended in line with the amendments in the table on page 43.

Page 43 Note 14 (Vacant Possession Value of Council Dwellings)

The figure for the value of council dwellings as social housing is amended to £381.990m (from £443.079m) and the economic cost to the government of providing council housing at less than open market is changed to £425.838m (from £364.749m) as a consequence of the change in discount rate. The paragraph has also been expanded to explain the change in the discount rate.

Notes to the Collection Fund

Page 47 Note 2 (Council Tax cont'd)

A new paragraph had been introduced to give details of the movement on provisions in the year. It shows the level of write-offs made during the year and the increase in the level of the provision for bad and doubtful debts.

Consolidated Balance Sheet (page 48)

The changes are shown in the following table.

| | Original | Variation | Revised |
|--|--------------|-----------|----------------|
| | St. of Accts | | St. of Accts |
| | £(000) | £(000) | £(000) |
| LONG-TERM ASSETS | | | |
| Tangible Fixed Assets | 836,694 | | |
| - to reflect the reduced value of social housing for council dwellings | | (62,336) | |
| - and the consequential change in in-year depreciation on these assets | | 1,247 | 775,605 |
| TOTAL LONG-TERM ASSETS | 871,265 | (61,089) | 810,176 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 887,306 | (61,089) | 826,217 |
| LONG TERM LIABILITIES | | | |
| Provisions | 1,458 | | |
| - to reflect that the provision is not being transferred to reserves | | 1,500 | 2,958 |
| Sub-total | 228,180 | 1,500 | 229,680 |
| TOTAL ASSETS LESS LIABILITIES | 659,126 | (62,589) | 596,537 |

| | Original | Variation | Revised |
|---|--------------|-----------|--------------|
| | St. of Accts | | St. of Accts |
| | £(000) | £(000) | £(000) |
| CAPITAL RESERVES | | | |
| Fixed Asset Restatement Account | 570,181 | | |
| - to reflect the transfer of the reduced valuation for social housing | | (62,336) | 507,845 |

| | Original | Variation | Revised |
|---|--------------|-----------|----------------|
| | St. of Accts | | St. of Accts |
| | £(000) | £(000) | £(000) |
| Capital Financing Account - to reflect the reduced requirement to fund depreciation charged to the HRA | 149,139 | 1,247 | 150,386 |
| Earmarked Reserves - to reflect the transfer from provisions not now being made | 18,637 | (1,500) | 17,137 |
| TOTAL EQUITY | 659,126 | (62,589) | 596,537 |

Notes to the Consolidated Balance Sheet

Page 50 Note 3 (Tangible Fixed Assets cont'd)

The figures in the table have been amended to show the revised position, i.e. the revaluation of council dwellings is reduced to £(34,859)k (from £27,477k) and the depreciation charged for council dwellings is reduced to £(7,851)k (from £(9,098)k), with consequential changes in the totals, both down and across the table, the value at 31.03.06 and into the bottom table 'total all assets' column. At the same time a correctional change has been made to the revaluations figures given under investment properties and assets under construction, where the adjustment to reflect the assets that had become usable had been made against the wrong category.

Page 52 Note 3 (Tangible Fixed Assets cont'd)

The first paragraph has been amended to reflect both the fact that the social housing discount has been amended and also the fact that an outside body is now doing the full HRA revaluations.

The tables showing the rolling programme for revaluations have also been amended to reflect the downward valuation that has occurred on council dwellings during the current year and the change in revaluation classification.

Page 54 Note 5 (Sources of Finance)

This note has been amended to include the prepayment element of the PFI transactions as capital expenditure and to show the expenditure as being supported by an increase in the underlying need to borrow (unsupported by Government financial assistance). This amendment reflects the recent agreement with the District Auditor on how best to reflect the PFI transactions in the Council's Accounts. At the same time the expenditure on intangible assets is now being shown separately from expenditure on deferred charges.

Page 59 Note 13 (Provisions)

This table has been amended to reflect the fact that the transfer from the provision has now not happened. The columns for expenditure during year and balance at 31.3.06 are amended for the 'Miscellaneous' line and the total line.

The wording in the paragraph has also been amended to reflect this position.

Page 60 Note 16 (Fixed Asset Restatement Account)

The figures in the Housing Revenue Account column for 2005/06 have been amended to reflect the changed revaluation figure for council dwellings. Due to the necessity to get the totals right a rounding adjustment has been made to the general fund column.

Page 61 Note 18 (Capital Financing Account)

The transfer to the CRA under the expenditure heading has been amended to reflect the reduced need for this reserve to be used to finance depreciation charges made for council house dwellings.

Page 63 Note 24 (Earmarked Reserves)

This table has been amended to reflect the fact that the transfer from the provision has now not happened. The columns for expenditure during year and balance at 31.3.06 are amended for the 'Miscellaneous' line, the sub-total line and the total line.

The wording in the paragraph has also been amended to reflect the revised position.

Page 63 Note 26 (Analysis of Net Assets Employed)

The figures in this table have been amended following the changes in the balance sheet position as set out above.

Page 66 Note 31 (Yorwaste)

An additional sentence has been added to the first paragraph identifying that in the event of the demise of this company the Council would either be responsible for its share of the losses, or receive its share of any profits.

Page 67 Note 33 (Post Balance Sheet Events)

The existing paragraph has been updated to reflect the latest position regarding the capping threat, and a new paragraph has been added to include information on the forward deal on investment.

Notes to the Cash flow Statement

Page 70 Note 1 (Revenue Activities)

The non-cash transactions have been amended to reflect the different figures for provision and reserve movements as the transfer has not been made - other provisions movement from £1,433k to £(67)k and other earmarked reserves contributions from £(206k) to £1,294k. The total non-cash transactions remains unaltered at £1,600k.

Statement of Total Movements in Reserves (page 73)

The changes are shown in the following table.

| | Original | Variation | Revised |
|---|--------------|-----------|--------------|
| | St. of Accts | | St. of Accts |
| | £(000) | £(000) | £(000) |
| Movement in Revenue Resources | | | |
| Movement on earmarked revenue reserves | (206) | 1,500 | 1,294 |
| Total (increase)/decrease in revenue resources | 5,861 | 1,500 | 7,361 |
| Movement in Realised Capital Resources | | | |
| (Gains)/losses on revaluation of fixed assets - to reflect the change in valuation for social housing purposes | (79,658) | 62,336 | (17,322) |
| Total (increase)/decrease in unrealised value of fixed assets | (79,658) | 62,336 | (17,322) |
| Movement in Amounts to be used to Finance Capital Investment | | | |
| Revenue resources set aside - to reflect the reduced need to set money aside for depreciation | 21,134 | (1,247) | 19,887 |
| Total (increase)/decrease in amounts set aside to finance capital investment | (14,761) | (1,247) | (16,008) |
| Total recognised (gains) and losses | (82,782) | 62,589 | (20,193) |

And in the equity statement at the bottom of the page:

| | | | |
|---|-----------|--------|-----------|
| Total Equity at 1 April | (576,344) | - | (576,344) |
| In year activity - to reflect the changes for the revaluation for social housing purposes and leaving the provision as a provision | (82,782) | 62,589 | (20,193) |
| Total Equity at 31 March | (659,126) | 62,589 | (596,537) |

Notes to the Statement of Total Movements in Reserves

Page 75 Note 3 (Realised Capital Resources)

The figures in the unapplied capital receipts column on the table have been amended to show the gross position on capital receipts received in the year, and separately identify how much has been transferred to the ODPM under the rules surrounding the housing capital receipts pool.

Page 75 Note 4 (Assets Sold, Decommissioned or Realised)

The figures in the table have been amended to show the revised position, i.e. the transfer from fixed assets to reflect the revaluations that took place during the year have been amended to £(17,322)k (from £(79,658)k) for the change in valuation of social housing.

Page 76 Note 5 (Amounts To Be Used To Finance Capital Investment)

The following amendments have been made in the table:

| | Original | Variation | Revised |
|--|----------------|----------------|----------------|
| | St. of Accts | | St. of Accts |
| | £(000) | £(000) | £(000) |
| Capital Financing Account column | | | |
| Revenue resources set aside | | | |
| -reconciling amount for provisions for loan repayment | 24,993 | | |
| - adjusted for depreciation charge for council housing dwellings | | (1,247) | 23,746 |
| Total revenue resources set aside | 21,134 | (1,247) | 19,887 |
| Total movement on reserve | (7,858) | (1,247) | (9,105) |
| Closing balance at 31 March | (149,139) | (1,247) | (150,386) |

There are consequential changes to the TOTAL column.

Glossary

Page 82

A new item has been introduced to explain what a 'forward deal' is. This has become necessary following the introduction of this into the post balance sheet events note. There are consequential shifts to the rest of the glossary.



Urgency Committee***18 August 2006***

Report of the Head of Civic, Democratic & Legal Services

Appointments Committee for the Head of Corporate Services**Summary**

1. This report seeks approval for the membership of an Appointments Committee for the post of Head of Corporate Services in the Directorate of Housing and Adult Social Services.
2. The report is being considered at an Urgency Committee because of the need to proceed with the appointment to enable the new directorate to operate effectively and to avoid any further delay by having to wait until October Council to get the Appointments Committee in place.

Background

3. Standing Order 40 (c) (1) of the Council's Constitution requires that an Appointments Committee, including at least one member of the Executive, interviews all qualified applicants for Chief Officer posts or selects a shortlist of such applicants and interview those on this shortlist.
4. The Appointments Committee will be constituted on a proportional basis (2:1). This will mean that there will be two Liberal Democrat members and one Labour member.

Consultation

5. The Leader and Opposition Leader have agreed to consider this item at an Urgency Committee. Consultation has taken place with the two largest political groups, through their group secretaries, regarding their nominations to the Appointments Committee.

Options

6. There are no alternative options for Members to consider, other than simply not proceeding with the establishment of an Appointments Committee at this stage, which would delay any subsequent appointment.

Analysis

7. The creation of an Appointments Committee will allow the appointment process to progress without delay and the post to be filled, allowing the new directorate to operate effectively.

Corporate Priorities

8. Making an appointment to the post of Head of Corporate Services will contribute to corporate priorities relating to improving organisation effectiveness:
 - Improve our focus on the needs of customers and residents in designing and providing services;
 - Improve leadership at all levels to provide clear, consistent direction to the organisation;
 - Improve the way the Council and its partners work together to deliver better services for the people who live in York;
 - Improve efficiency and reduce waste to free-up more resources.

Implications

9. The following implications have been considered:
 - **Financial** – There are no financial implications.
 - **Human Resources (HR)** – The creation of an Appointments Committee is in line with the constitutional requirements for the recruitment and appointment of Chief Officers.
 - **Equalities** – There are no equalities implications.
 - **Legal** – The creation of an Appointments Committee is not a function reserved to Full Council by law and therefore can be carried out by Urgency Committee.
 - **Crime and Disorder** – There are no crime and disorder implications.
 - **Information Technology (IT)** – There are no IT implications.
 - **Property** – There are no property implications.
 - **Other** – There are no other implications.

Risk Management

10. There are no known risks associated with the recommendations of this report.

Recommendations

11. Members are asked to agree:

That an Appointments Committee be created for the post of Head of Corporate Services in the Directorate of Housing and Adult Social Services, with the following membership:

Liberal Democrat – Councillor Steve Galloway
Councillor Sue Galloway

Substitute: Councillor Sunderland

Labour – Councillor Fraser

Substitute: Councillor Horton

Reason: To proceed with the appointment to enable the new directorate to operate effectively and to avoid any further delay by having to wait until October Council to get the Appointments Committee in place.

Contact Details

Author:
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Democracy & Member
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Democratic Services
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Chief Officer Responsible for the report:
Suzan Hemingway
Head of Civic, Democratic & Legal Services

Report Approved



Date 11 August 2006

Specialist Implications Officer(s)

Legal: Suzan Hemingway, Head of Civic, Democratic & Legal Services

Human Resources: Ken Green, Head of Human Resources

Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

None.

Annexes

None.

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