

Report of the Chief Executive

More For York - Organisation Review

Summary

1. This report presents proposals – contained as recommendations to the Executive- for the restructuring of senior management roles and responsibilities within the City of York Council.
2. The objectives of the proposals are to ensure:
 - greater and more consistent levels of customer service to residents and users of Council services;
 - increased responsiveness to neighbourhood and community needs and a strengthened approach to securing economic prosperity for the City, now and for the future;
 - timely planning for the services which a changing population will require – particularly health improvement and services to older people;
 - increased levels of partnership working to align activity and resources across public agencies;
 - efficiency gains through rationalising tiers of management to provide appropriate levels of leadership and management across the organisation – with a target saving of £1.2m – £1.6m from management costs in 2012/13.
3. It is proposed that the Organisation Review is conducted in two phases:
 - Phase one - September 2009 - April 2010: establish new agreed structure at Corporate Management Team level and appoint individuals to Director positions, with revised areas of responsibility and efficiency targets to be achieved from management levels within Directorates;
 - Phase two - April 2010 - October 2010: establish management structures for new Directorates.

Background

4. City of York Council has a track record in delivering efficiency savings as part of its commitment to pursue value for money for the people of the City. Between 2005 and 2008 £9m savings were made and service standards sustained and improved.
5. In December 2008, recognising that further progress would require a step change in approach - given financial projections within the medium term financial strategy – the Executive asked for an efficiency programme to be developed for the City of York Council with the objectives of:
 - delivering improved services for the people of York;
 - realising efficiency savings to put the Council's finances in a better position to weather the recession and consequent predicted reductions in national funding for public services.
 - Develop simpler processes for staff with less administration.
6. On the 7 July 2009 Executive approved the establishment of a comprehensive transformation programme for the City of York Council – 'More for York'.
7. The objectives of the More for York programme are to deliver
 - More for customers – through improved access to services and swifter more responsive service delivery;
 - More for employees – through provision of better accommodation equipment and training for employees;
 - More for our money – through increased use of the Council's total purchasing power, collection of income and elimination of unnecessary spend.
8. The targeted savings are to amount to £15m from the base budget of the Council on a recurring basis by 2012/13.
9. On 7 July Executive approved functions of the Council which would be in scope at this stage for review and redesign in order to identify in detail savings which could be made.
10. Ten areas were identified for review including the senior management structures of the Council, on which matter Executive asked that the following be undertaken:
 - a review of the senior management structures of the Council to ensure that the Directorate structures are fit for purpose to deliver services in the future;
 - a review of the potential centralisation of support services such as Finance prior to the move to the new HQ;
 - rationalisation of the levels of management to give clearer focus to each focus area and reduce the cost of management across the Council.

11. The potential to save £1.2m - £1.6m in management costs by 2012/2013, was identified to Executive.
12. The review of the senior management structures of the Council began on the 30 September 2009 on the arrival of the new Chief Executive of the Council. This report contains proposals – for further consultation – which are a product of the review.
13. The review process consisted of:
 - an appraisal of the City and the Council’s priorities as expressed in the community and corporate strategies and the extent to which existing structures are aligned to these priorities;
 - an appraisal of strengths and weaknesses of the current structures in terms of value for money, satisfaction and delivery;
 - consultation with elected members, partners, senior management, staff, trade unions, and regulatory bodies.
 - research on models and trends in high performing/lower spending unitary and metropolitan authorities.

Consultation

14. Extensive consultation has been undertaken between 30 September and 4 December, the outcomes of which have informed the development of the proposals before Executive.
15. Consultation has comprised the following:
 - briefings with Group Leaders, Executive portfolio holders, Shadow spokespersons, Scrutiny Chairs;
 - workshop discussions with Corporate Management Team, the Corporate Leadership Group, Senior Management Group and staff groupings;
 - briefing of Senior Management PAs;
 - briefings with Unison and the GMB and presentations at the Joint Consultative Committee negotiation meetings with all trade unions represented within the Council workforce;
 - submissions received by email to chiefexec@york.gov.uk or in writing to the Chief Executive at the Guildhall from employees of the Council;
 - discussions with partners within the LSP ‘Without Walls’ – including North Yorkshire & York NHS, York Hospital Trust, North Yorkshire Police, York St John’s University, Private Sector partners, York CVS, York College.
 - Discussion with the Council’s regulatory bodies – the Audit Commission, Ofsted and the Care Quality Commission.

16. The consultation was framed around the following three dimensions:
- the principles which should drive restructuring of senior management;
 - the process which should be followed to implement the restructure
 - options/models for the senior management structure of the organisation.
17. Key findings of the consultation process are:

Feedback from Members

17.1 Members have responded to the consultation individually and collectively. Broadly their responses are supportive of the principles for the review, with particular emphasis on cultural change to streamline processes and create a more nimble organisation. Members want the organisation to have a strong corporate identity and leadership, effective relationships with partner organisations and the ability to respond positively and confidently to challenges.

Feedback from Partners

17.2 Comments from City partners recognise the positive ways in which the Council consults and works with them, and in particular the high calibre of the officers they engage with. They signal an appetite for cultural change that will create a more confident, ambitious and proactive organisation that harnesses the skills and expertise of its partners and empowers its staff to respond quickly and positively to change. They look to the Council to provide strong leadership, and anticipate stronger and more effective partnership working within which service delivery can be reviewed to secure improvement and reduce duplication.

Feedback from Trade Unions

17.3 UNISON has indicated broad support for establishing an efficient, lean management structure, but emphasised a concern that this should not result in large and unwieldy portfolios within which there is insufficient management resource for either the functions or for the front line staff. They would also seek assurances that the process put in place to achieve the reduction in numbers will be fair and that managers (as with all staff) will be properly supported with training and development of management skills so that all managers are able to compete on an equal footing.

Feedback from staff

- 17.4 A large number of responses were received from teams and individual staff. Many highlighted informed and insightful ideas for service improvement, streamlining of process and cost savings. These are being pursued with service managers.
- 17.5 Responses from chief officers indicated broad support for the principles of the review. Different opinions have been offered on the number and composition of directorates and the location and structure of services affected by the proposals, particularly partnerships, policy, improvement and performance, culture and the creation of an Adult, Children and Family Services Directorate. These have been considered in formulating the options.
- 17.6 Responses indicated a broad support for the design principles. Some put forward proposals for structural change, but most prioritised cultural change as the means for securing organisational and service improvement. Contributors envisioned a single, customer focused organisation with more clearly defined and accessible vision and values, improved communication and a greater willingness and ability to embrace change. Many anticipated a streamlining of bureaucracy and processes that would allow for greater efficiency, adaptability and speed of response, and there was some support for rationalisation of management structures and greater empowerment of front line staff in delivering 'joined-up' services to customers.
- 17.7 Broad support was expressed for the creation of a consolidated support service function and the efficiencies that could accrue from common policies and processes across the organisation. Different opinions were expressed about the precise composition of the function, but there was general agreement that 'support' services needed to be equal partners in management and development of the business.

Options

18. The review process described in section two above has produced the following two options which most clearly satisfy the objectives for reorganisation set out at section one above.

18.1 Option one

The establishment of the following Director posts and Directorate responsibilities:

i) Director of Customer and Business Support Services

Responsibilities

- Council Tax
- Housing Benefit
- Council Tax Benefit
- York Customer Centre
- Business Rates
- Cashiers
- Corporate Finance
- Payments
- Debtors
- Creditors Payroll
- Civic, Legal and Democratic Services
- Internal Audit
- Insurance
- Procurement
- Fraud
- Risk Management
- Efficiency
- Human Resources
- Information Technology and Telephony
- Register Office

Indicative net budget £7,640,230 based on figures for 2009/10.
Indicative full time equivalent posts: 775.

ii) Director of Communities and Neighbourhoods

Responsibilities

- Housing
- Parks & Open Spaces
- Libraries & Heritage
- Arts & Culture
- Voluntary & Community Sector Support
- Building Maintenance
- Waste Services
- Street Scene
- Highways infrastructure & maintenance
- Parking Services
- Neighbourhood Management Team
- Environmental Health & Trading Standards
- Safe City
- Sport and Active Leisure

Indicative net budget: £27,318,510 based on figures for 2009/10.
Indicative full time equivalent posts: 601.

iii) Director of Adult, Children and Family Services

Responsibilities

- Day Services
- Respite Care
- Mental Health Services
- Integrated Learning
- Equipment for People with Disabilities
- Care Management & Social Work
- Hospital Discharge
- Home Care
- Residential Care
- Fostering & adoption
- School Improvement
- School Governance
- School admissions & attendance
- Inclusions (including SEN)
- Young People's Service
- Children's Social Care
- Adult & Community Education
- Youth Offending Team
- Safeguarding & Child Protection
- Children's Trust
- Resources & Planning
- Early Years & Children's Centres
- Extended Schools

Indicative net budget: £75,015,920 based on figures for 2009/10.
Indicative full time equivalent posts: 1333.

iv) Director of City Strategy

Responsibilities

- Land Use Planning
- Development Control
- Building Control
- Conservation and Urban Design
- Sustainability and Carbon Reduction
- Major Site Development
- Land Charges
- City Walls Management
- Emergency Planning and Business Continuity
- Transport Planning
- Local Bus Partnership
- Highways Safety
- Highway Network Strategy & Management

- Engineering Consultancy
- Economic Development
- Science City
- City Centre Management and Development
- Skills Training, Future Prospects, York Training Centre
- Tourism and Visitor Info
- Property
- Waste Strategy
- Civil Engineering

Indicative net budget: £22,793,390 based on figures for 2009/10.
Indicative full time equivalent posts: 312.

18.2 Option Two

The establishment of the following Director posts and Directorate responsibilities:

i) Director of Customer and Business Support Services

Responsibilities

- Council Tax
- Housing Benefit
- Council Tax Benefit
- York Customer Centre
- Business Rates
- Cashiers
- Corporate Finance
- Payments
- Debtors
- Creditors Payroll
- Civic, Legal and Democratic Services
- Internal Audit
- Insurance
- Procurement
- Fraud
- Risk Management
- Efficiency
- Human Resources
- Information Technology and Telephony
- Register Office

Indicative net budget: £7,640,230 based on figures for 2009/10.
Indicative full time equivalent posts: 775.

ii) Director of Communities and Neighbourhoods

Responsibilities

- Housing
- Parks & Open Spaces

- Voluntary & Community Sector Support
- Civil Engineering
- Building Maintenance
- Waste Services
- Street Scene
- Highways infrastructure & maintenance
- Parking Services
- Neighbourhood Management Team
- Environmental Health & Trading Standards
- Safe City

Indicative net budget: £19,093,880 based on figures for 2009/10.
Indicative full time equivalent posts: 534.

iii) Director of Health and Wellbeing

Responsibilities

- Day Services
- Respite Care
- Mental Health Services
- Integrated Learning
- Equipment for People with Disabilities
- Care Management & Social Work
- Hospital Discharge
- Home Care
- Residential Care

Indicative net budget: £42,018,040 based on figures for 2009/10.
Indicative full time equivalent posts: 685.

iv) Director of Culture and Children's Services

Responsibilities

- Fostering & adoption
- School Improvement
- School Governance
- School admissions & attendance
- Inclusions (including SEN)
- Young People's Service
- Children's Social Care
- Adult & Community Education
- Sport & Active Leisure
- Youth Offending Team
- Safeguarding & Child Protection
- Children's Trust
- Resources & Planning
- Early Years & Children's Centres
- Extended Schools
- Arts & Culture
- Libraries & Heritage

Indicative net budget: £41,222,530 based on figures for 2009/10.
Indicative full time equivalent posts: 709.

v) Director of City Strategy

Responsibilities

- Land Use Planning
- Development Control
- Building Control
- Conservation and Urban Design
- Sustainability and Carbon Reduction
- Major Site Development
- Land Charges
- City Walls Management
- Emergency Planning and Business Continuity
- Transport Planning
- Local Bus Partnership
- Highways Safety
- Highway Network Strategy & Management
- Engineering Consultancy
- Economic Development
- Science City
- City Centre Management and Development
- Skills Training, Future Prospects, York Training Centre
- Tourism and Visitor Info
- Property
- Waste Strategy

Indicative net budget: 22,793,390 based on figures for 2009/10.
Indicative full time equivalent cost: 312.

19. In both options the Chief Executive retains responsibility as Head of Paid Service, Town Clerk, and principal adviser to the Elected Leadership of the Council. The Chief Executive's Office would contain the following functions:

- Policy
- Equalities
- Performance
- Partnerships
- Research + Consultation
- Marketing + Communications
- More for York Programme Office

Indicative net budget: £2,916,000 based on figures for 2009/10
Indicative full time equivalent posts: 86.

Arrangements would be made at an appropriate level for management of the staff in the Chief Executive's office, drawn from existing staff resources.

Analysis

20. Option One

Chief Executive and 4 Directors of:

- Customer and Business Support Services
- Communities and Neighbourhoods
- Family Services
- City Strategy

- 20.1 This model would establish a small strategic leadership team at officer level for the City of York Council focussed on the key priorities for the City over the next decade.
- 20.2 The Customer and Business Support Services Directorate would bring together support services which are currently devolved across the Council and provide greater consistency, flexibility of service provision and efficiency savings. This will be combined with a strengthened focus on customer service - through redesign of services with customers to meet their needs, including arrangements for access to services (how when and where), simplifying processes and getting rid of unnecessary bureaucracy, setting of customer service standards across the Council and provision of training for all staff in customer service. This Directorate will work particularly closely with the Communities and Neighbourhoods Directorate to ensure that the front line customer response is followed with effective delivery and close down of issues to a customer's satisfaction, avoiding repeat work and duplication of effort.
- 20.3 The Communities and Neighbourhoods Directorate would bring together the universal services which respond to and support the daily needs of communities and neighbourhoods such as refuse collection street cleansing street lighting parks and grounds maintenance the Council's landlord function and housing maintenance as well as leisure recreation and library facilities. These services play an important part in the immediate quality of life experienced by residents at a local level. In addition this Directorate would be responsible for working with partners, particularly North Yorkshire Police to make communities safe – and community life strong. Building on the Ward Committee process and working alongside Tenants Associations this Directorate would work closely with the Voluntary and Community sector to strengthen community life.
- 20.4 The Adult Children and Family Services Directorate would bring together the Adult and Children's Social Care functions with Education Support Services, Children's Trust and Youth support services and Adult Learning. This would be a large Directorate in budget and staffing responsibilities. The advantage of bringing these services together is to make sure that services are planned and delivered for residents in a way that acknowledges that people do not live in categories marked

'adult' or 'child' – particularly 'young adults' who can slip between service providers at a key moment in their lives.

- 20.5 The key factor influencing children's or indeed older people's quality of life is often the support or otherwise which they receive from family members. It is not uncommon that one service of the Council is working with a young person and another with an older relative in the same family. This proposal would allow for greater co-ordination and more flexible service provision. This arrangement would also allow for closer working with the NHS building on the recent work done by both organisations on the health and social care needs of our communities 'The Joint Strategic Needs Assessment'. Both organisations would be able to pool and use budgets more effectively to provide services. Arrangements for safeguarding of adults and children would be strengthened through a shared and consistent approach.
- 20.6 A key challenge will be to re model social care and services to adults – in common with the national picture people in York are living longer and wish to have more choice and control over services which they receive and older people will potentially require services for much longer periods of time.
- 20.7 The services and wider support to schools and for post 16 education, which are judged to be outstanding, would be maintained.
- 20.8 The Directorate of City Strategy will have responsibility for the economy and for strategic planning in relation to land use, transport, housing, the environment and skills as well as bringing forward major schemes and sites for development. Additionally a number of the functions of the Directorate would be strengthened viz support for inward investment and business growth, and work on carbon reduction and sustainability. A review will be required of the functions in City Strategy and their management to achieve efficiency savings, in line with the other Directorates

21 **Option Two**

21.1 Chief Executive plus 5 Directors of

- Customer and Business Support Services
- Communities and Neighbourhoods
- Health and Wellbeing
- Children, Culture and Leisure
- City Strategy

- 21.2 Option Two provides for a larger Corporate Management Team and retains separate Directorates with responsibility for Adult and Children's Social Care. The proposals and objectives for the Directorates of Customer and Business Support Services, Communities and Neighbourhoods and City Strategy remain as for option one.

- 21.3 The Directorate of Health and Wellbeing would play a key role in working with the NHS in York to lead on Health Improvement across the City and to plan for the demographic changes described above – the increasing number of older people and increasing life expectancy. This is a major challenge for the City as it is for all local authorities. The Director would have also a lead responsibility for commissioning across the social care agendas of the Council, working with the NHS and seeking opportunities to pool budgets, locate teams together and make efficiencies. Based on 9/10 figures the Directorate would have a net budget of just over 42 million and 684 staff.
- 21.4 The Directorate of Children and Culture would be responsible for all aspects of social care provision for Children, the children’s trust, youth services, support to schools and education providers, adult learning, culture and leisure services. The Directorate would have a budget of 41.2 million and 709 staff.
- 21.5 Research on models for local authority senior management team structures and responsibilities, drawn from 42 high performing ‘4 star’ unitary, metropolitan and London borough councils, suggests that there is a trend currently towards a reduction in top teams and specifically: one Directorate which provides support services for the Council, and two or three customer facing Directorates. There is increased emphasis on strategic management from a smaller corporate team, increased emphasis on partnership working and shared commissioning of services and on moving resources to front line delivery.
- 21.6 Some authorities such as Northumberland, Cheshire East, Hartlepool and South Tyneside have two externally focussed Directorates, effectively a Directorate of Place and a Directorate of People. In this model the Director of Place brings together neighbourhood level services with the strategic planning functions for the local authority area as a whole, and the Directorate of People brings together Children’s Services with Adults and Family Services.
- 21.7 4* Authorities such as East Riding, Stockton on Tees, Ealing, and Wakefield have brought together Children’s Services and Adult’s Services but not Neighbourhood and Strategic development services.
- 21.8 Where Adult and Children’s Services are combined it is clear that one consequence is that the Assistant Director roles within the Directorate carry significant increased operational responsibilities including management of multi million pound budgets and large staff groups.
- 21.9 Structures at Assistant Director/Head of Service tier vary widely with no clear trends, e.g. the smallest number in a sample of 20 for which we have data is 9 and the largest 33. Evidence suggests that decisions about the balance between strategic and operational responsibilities at AD level and local priorities/circumstances dictate the number of third tier posts. Directors will take responsibility for determining assistant director and management structures, subject to further consultation in phase 2.

21.10 As is clear from the outcomes of the consultation process the establishment of an effective organisational culture is as important as the senior management structure and location of services. Organisational culture is broadly defined as 'the way we do things around here'. Central to the culture of high performing councils and service organisations are the following features:

- a passion for customer service – a highly developed understanding at all levels of the organisation of the needs of customers;
- strong team working across all parts of the organisation to deliver shared goals;
- ambition and confidence – constantly looking for ways to deliver more, of better quality;
- a high level of staff development, performance management and strong internal communications.

21.11 The organisation review will be supported by a programme of workforce development activity to strengthen these aspects of the culture of the authority. The revised job profiles for senior managers will include as essential requirements competence in the key components of the CYC Business Model. There will be particular emphasis on: customer insight/service, business process reengineering, project management, partnership working and a commitment to fairness and inclusion, in addition to specialist/technical/professional expertise, I.T skills, people management and financial management.

Corporate Priorities

22. The proposals for the organisation review have been designed to give greater focus and alignment of services to the priorities of the community and corporate strategy. The organisation review will particularly contribute to the creation of an 'effective organisation', but clearly proposals for the Directorate of Communities and Neighbourhoods, City Strategy and the options in relation to Adult and Children's Services will sustain a focus on: a thriving city, a safe city, a healthy city, a learning city, a sustainable city and a city of culture. A commitment to inclusion – ensuring equitable access to services and targeted work to narrow gaps in life chances underpins the work of all council services.

Implications

Financial

23. The organisational review has a target net saving of between £1.2. and £1.6m in 2012/13. In achieving this net saving, the up front costs relating to the early release of staff will need to be funded through the in-year savings.

24. The table below presents an analysis of the savings, early release costs and investment in organisation development for Options 1 and 2 for the years 2010/11 to 2012/13. In 2012/2013 an in year net saving off 1.658m is forecast to be achieved from management costs in option one. In option two an in year net saving of 1.555m is forecast to be achieved from management costs in 2012/2013.
25. 33K per annum has been identified for the retraining and redeployment of staff affected through the organisation review.
26. The full impact of the organisation review is presented – in order that Executive in approving the Corporate Management Team structure and responsibilities for consultation is aware of the wider and consequential implications on Management if the target reduction of between 1.2 and 1.6 m is to be achieved.
27. As presented the two options represent:

Option One

- deletion of 2 posts of 7 in the Chief Executive and, Director tiers;
- deletion of up to 34 posts of 355 in the assistant director and management grades of the Council (grades 12, 11 and 10).
- Proportionate reduction in administrative support to senior management

Option Two

- deletion of 1 post of 7 in the Chief Executive and Director tiers;
- deletion of up to 34 posts of 355 in the assistant director and management grades of the Council (grades 12, 11 and 10).
- Proportionate reduction in administrative support to senior management

28. Indicative costs and savings are shown on the table below:

ANALYSIS OF PERMANENT ONGOING SAVINGS				
	10/11	11/12	12/13	<i>Total Cumulative Savings</i>
	£	£	£	£
Option 1				
2 Posts CX, Director	261,790	261,790	261,790	785,370
Up to 34 Posts Assistant Director, Grade10-12		518,500	1,918,500	2,437,000
Reduction in Administrative Support	43,100	112,780	112,780	268,660
Total Permanent Ongoing Savings	304,890	893,070	2,293,070	3,491,030
Option 2				
1 Posts CX, Director	130,900	130,900	130,900	392,700
Up to 34 Posts Assistant Director, Grade10-12		518,500	1,918,500	2,437,000
Reduction in Administrative Support	21,550	91,230	91,230	204,010
Total Permanent Ongoing Savings	152,450	740,630	2,140,630	3,033,710

One-off Investment Costs required to deliver On-going Savings			
Option 1			
Re-training and Re-deployment Costs	33,000	33,000	33,000
Early Release Costs	137,360	237,575	523,609
Option 2			
Re-training and Re-deployment Costs	33,000	33,000	33,000
Early Release Costs	68,260	208,004	494,038

29. The following assumptions have been made in developing the financial model above:-

- all Pension costs have been charged over the maximum 5 year period;
- redundancy costs are an assumed full charge in the year the person is released from the post;
- a provision of £100k has been set aside from the savings over 3 years in order to fund retraining and redeployment.
- That a vacancy freeze will immediately apply to posts at grade 10 and above which will only be released for recruitment subject to a business case approved at senior management level.

The one-off investment costs will continue to fall out beyond 2012/13 as a result of the decision to charge pension costs over the maximum 5 year period.

Human Resources (HR)

30. The HR/staffing implications arising from the proposals described in the report above will be managed in accordance with established Council/Chief Officer procedures for change management. The extensive consultation activities outlined in the document, represent a key part of this process. The individuals potentially affected by these proposals – senior management and P.As to senior management have been consulted with as part of the process. Additionally, the statutory requirements for Children and Adult Services outlined in Option 1, give rise to potential implications for salaries, grades and job descriptions at the second tier within the Family Services directorate. These would have to be taken into account if Option 1 were selected.
31. Numbers of staff for each of the new Directorates is contained in the table below.

Current Headcount as at 20/11/09

Chief Execs	207
Neighbourhoods	991
City Strategy	316
Resources	280
LCCS	1385
HASS	1186
Grand total	4365

Current Full time equivalent posts as at 20/11/09

Chief Execs	181
Neighbourhoods	734
City Strategy	270
Resources	253
LCCS	795
HASS	874
Grand total	3107

Option 1 Headcounts as at 20/11/09

Adult, Children and Family Services	2151
Chief Executives	94
City Strategy	330
Communities & Neighbourhoods	710
Customer & Business Support Services	1080
Grand Total	4365

Option 1 FTEs as at 20/11/09

Adult, Children and Family Services	1333
Chief Executives	86
City Strategy	312
Communities & Neighbourhoods	601
Customer & Business Support Services	775
Grand Total	3107

Option 2 Headcount as at 20/11/09

Chief Executives	94
Children's Services	1312
City Strategy	330
Communities & Neighbourhoods	586
Customer & Business Support Services	1080
Director of Health	957
Grand total	4359

Option 2 FTEs as at 20/11/09

Chief Executives	86
Children's Services	709
City Strategy	312
Communities & Neighbourhoods	534
Customer & Business Support Services	775
Director of Health	685
Grand total	3101

Equalities

32. The Organisation Review has been shaped around a commitment to fairness and inclusion – the Council's stated commitment to leave no resident and no community behind in access to opportunity and access to appropriate services. The implementation of the Review will comply with all relevant Equalities and Employment legislation. The redrafting of senior management job descriptions will include a core competence in relation to fairness and inclusion.

Legal

33. There are a number of statutory senior officer posts affected by this review and it is important that the authority ensures that any organisational changes take this into account both structurally and in the drafting of management responsibilities.
34. The Council is required to have a s151 officer and a monitoring officer as well as a Director of Children's Services and a Director of Adult Services. The authority is also required to have a head of paid service who is usually (and is in fact in York) the Chief Executive. The Head of Paid service is required by s4 Local Government and Housing Act 1989 and has overall responsibility for the carrying out of the authority's

functions, the number and grades of staff required to carry out those functions and the appropriate manner in which those staff are organised.

35. The s151 officer is governed by the Local Government Act 1972 which requires the authority to ensure that one of their officers has responsibility for the administration of the authority's financial affairs. This is linked to s113 Local Government Finance Act 1988 which provides that the holder of such a post has to be a member of specified accountancy bodies. s114 of that Act also places personal duties on that officer in respect of cases of actual or anticipated financial misconduct. There is nothing in the legislation which specifies at what level the s151 officer should be appointed although it is obvious that the post holder needs to hold sufficient authority to carry out their responsibilities.
36. The monitoring officer post is governed by s5 Local Government and Housing Act 1989. This requires every authority to designate one of its officers as monitoring Officer in order to carry out a range of functions under the Act. these are largely related to personal duties in relation to cases of actual or anticipated maladministration and responsibility for the Standards regime. There is no qualification requirement save that the monitoring officer cannot be the head of paid service. There is nothing in the legislation which specifies at what level the monitoring officer should be appointed although it is obvious that the post holder needs to hold sufficient authority to carry out their responsibilities.
37. The Local Authority Social Services Act 1970 (LASSA) was amended by the Children Act 2004 to require local authorities to appoint 'an officer' to be known as the Director of Adult Social Services at the same time as they appointed 'an officer' to be known as the Director of Children's Services. The statutory guidance underpinning these appointments states that these posts are to be statutory Chief Officers with accountability for their respective areas. The Guidance is issued under s7 LASSA and as such means that the authority would have to have very good reason for choosing to ignore that guidance. Both posts have to be directly accountable to the Chief Executive and be of equal status. Option 1 in this report proposes bringing together adult and children's social care. The implication of this is that the two statutory Director posts would need to report into the overall director and have a reporting line as well to the Chief Executive. Option 2 could mean that these statutory responsibilities were held at council (as opposed to statutory) director level. There are no qualification requirements for either of these posts.
38. In discussing these proposals, members need to ensure that they do not discuss the individuals concerned but focus on the posts within the existing and proposed structures.

Crime and Disorder

38. No implications

Information Technology (IT)

39. No implications

Property

40. No implications.

Other

41. No implications

Risk Management

42. As with any significant reorganisation a risk is that the energies and focus of services and staff are distracted and uncertainty undermines morale. For that reason effective management of the change process is essential, with priority given to frequent communication throughout the organisation, support and guidance for staff affected by the change process, use of agreed procedures for the management of change and whilst taking sufficient time to ensure the changes are properly planned for moving at a pace to provide certainty for staff. Reduction in management posts will be challenging and put additional demands on staff unless a thorough review is undertaken of internal operations to ensure all non essential processes are minimised. As ever close attention will be paid to the performance of the organisation through this period to ensure early action on any issues which arise.

Recommendations

43. Members are asked to:

(a) Adopt Option One as the preferred senior management structure of the City of York Council and to create the posts of:

Director of Customer and Business Support Services
Director of Communities and Neighbourhoods
Director of Adult, Children and Family Services and to retain the post of Director of City Strategy with the revised responsibilities outlined in the report.

This Option is best suited to the needs of the City of York Council at this time as it provides for:

- increased focus on customer service
- greater responsiveness to the needs of communities and neighbourhoods
- strengthened contribution from the Council to economic development for the City
- greater co-ordination and consistency in work with adults and children, increased opportunities for partnership working and

commissioning with the health sector on health and social care provision and work on overlapping agendas for adult and children's services such as 14-19 education.

- A small senior leadership team with the greater part of the management resource involved in direct service delivery
- (b) Approve the financial investment required to release the savings as outlined in table one at para 28.
- (c) Refer this report to a meeting of the Staffing and Urgency Committee for due consideration.
- (d) Instruct officers to make all necessary arrangements for implementation of the proposed senior management structure of CYC using the agreed processes and frameworks of CYC for such matters.

Contact Details

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Chief Executive

Chief Officer Responsible for the report:

Kersten England
Chief Executive

Background Papers:

Executive report 20th October – More for York Blueprints

Executive report 7th July – Effective Organisation Programme, Efficiency Review

City of York Council Business Model,

City of York Council Corporate Strategy

Medium Term Financial Strategy

Annual Audit and Inspection letter 2009

CPA Corporate Assessment 2008

CPA Direction of Travel Statement 2008

Staff Survey results

Place Survey

Annexes

Annex 1 CYC Current and Proposed Structure

Annex 2 Consultation meetings