
Staffing & Urgency Committee

9th May 2008

Report of the Chief Executive

DIRECTORATE REORGANISATION

Introduction and Purpose

1. Following initial discussions with Group Leaders, and with Corporate Management Team, this paper takes forward the case for a reorganisation of responsibilities among Directorates, seeking Members views on this direction of travel. It also sets out short-term proposals for managing over the Summer, given a number of key Chief Officer recruitment processes.
2. There are a number of drivers, which indicate that the time is now right for this thinking, including emerging organisational vision, reflections on CPA, budget requirements and senior vacancies.
3. The purpose of the paper is to consider the allocation of responsibilities between Directors and Directorates, in order to deliver our corporate strategy better and more efficiently.
4. The proposed changes contribute to the following objectives.
 - i. Continually improving performance, with services better meeting customers' expectations;
 - ii. Better collaboration between Directorates;
 - iii. A better spread of workload between Chief Officers which will allow us to concentrate more senior time on areas of greatest risk and growing priority;
 - iv. Increased clarity and reduction in overlap of responsibilities between Directorates, thus enhancing quality and reducing cost;
 - v. A net contribution to budget savings of £200k over a full year;
 - vi. Minimum disruption by making changes as the chances present, consistent with taking opportunity to move towards a new organisational strategy.

- vii. A clearer view of the future shape and organisation of central services and functions following the move to Hungate with this reorganisation acting as a step along this path.

Background

5. This context of the discussion is set within the parameters of six Directorates, each led by a Director reporting to the Chief Executive. Directors continue to be responsible to the Chief Executive for:
 - i. Acting collegiately with other members of CMT to give corporate leadership to CYC;
 - ii. Leading on corporate priorities, values and imperatives;
 - iii. Delivering objectives agreed for their own areas of business;
 - iv. Maintaining professional standards of service across their own areas of business.

Organisational Vision

6. Discussion with colleagues has revealed a great deal of common ground in views about how better the Council might work in future. The move to Hungate is both opportunity and catalyst. But it will be important that we have a clear and agreed direction of change, and that we then take opportunities to adapt new style and organisation before the move takes place.
7. The high level vision can be summarised under 4 headings:
 - An **organisational culture** of corporacy and collaboration. In practice it will mean:
 - consistent application across the council of corporate standards set out in CYC's Business Model
 - more joint working across Directorates where sharing resources will give better results and better customer experience (e.g, the Westfield project)
 - Openness i.e. taking the initiative to share information across Directorates and asking for help when needed.
 - Flexibility and fluidity. Being quick on our feet and adaptive, ready to respond to new priorities without organisational structure getting in the way (e.g, assigning a project to the part of the Council best able to cope with the workload rather than just on purist 'responsibility grounds').
 - **All Directors ensuring that the Corporate Priorities of the Council are effectively delivered.**
 - A growing number of **internal 'shared services'** as we move to Hungate, e.g, Finance, Legal and HR advice (as different locations

would no longer be a problem). We would of course preserve specialist knowledge and specific skills relevant to our service areas, but a more centrally located structure will enable us to provide some efficiencies, economies of scale, and a more corporate way of working. We could make use of the learning from the Easy@York project by making more of our corporate services intranet based.

- Rolling out the organisational implications of our direction statement that **services will be “provided by whoever best meets the needs of our customers”**. Over time this may well mean fewer services directly provided by the Council.
8. This vision provides an important strategic backdrop to the changes proposed in this paper.

Consultation

9. Preliminary discussions have taken place with Chief Officers in the organisation. There is a good measure of agreement on the need for reorganisation and the proposals set out below have been drafted in light of the different issues, and competing pressures and priorities identified through those discussions. Within the proposals, workload has been assessed against both the overall breadth of responsibility and the need for personal Chief Officer time to be focussed on issues.

Proposals and Analysis

10. The proposals affect some directorates more than others. The Director profiles for Learning, Culture & Children’s Services and for Housing and Adult Social Services both feel to be fully loaded but manageable and largely coherent at the Director level. This is due to there being a new team in place to tackle the challenges in LCCS which has a broad remit encompassing Leisure and Children’s Social Services in addition to Education Services. HASS faces the twin challenges of achieving decent homes and the future management and funding of the HRA, and the even larger challenge of the personal choice and modernisation agenda in adult social services.

11. High level changes proposed are:

i. **Highways, CCTV and parking operational responsibilities to move from City Strategy to Neighbourhood Services**

This would free up Director time in City Strategy and would better streamline the workload. Existing budgets and staff would transfer, but with a (full year) savings target for the new integrated service to be achieved by the end of 2008/09. The Director of City Strategy and the Director of Neighbourhood services would work up a detailed implementation plan.

The key issues considered here are the need to streamline the client/contractor relationship, improved co-ordination between the council

and utilities companies, and liaison between network management, parking, and highways repairs.

The Director of City Strategy will be freed up to concentrate on the major developments planned and taking place within the city, which need to be underpinned by a comprehensive transport and access strategy. We shall also require more senior time to work with partners across the city to align visions and effort. The transfer of these two services will create more capacity at AD level within City Strategy which could enable the temporarily vacant post of Head of Business Management to be deleted and the responsibilities reallocated within City Strategy. This would save approximately £75K per year including on-costs.

ii. Leisure grounds maintenance to move from LCCS to Neighbourhood Services

This would remove duplication/confusion of effort. Existing budgets and staff would transfer to the new integrated service. Again the Director of Learning, Culture and Children's Services and the Director of Neighbourhood Services would produce a detailed implementation plan.

iii. Planning, performance and improvement to move from the Chief Executive's Directorate to Resources

This change, involving the whole of the Policy, Improvement & Equalities Team, except the Equalities Section, will achieve a better alignment of financial and corporate planning, and performance management. This will also facilitate a more strategic approach to VFM, efficiency, strategic procurement, prioritised resource allocation, and effective budgeting – all key management priorities for the organisation. A timetable and implementation plan would be agreed between the Director of People and Improvement and the Director of Resources.

iv. Payroll to move to HR and Property from Resources Directorate to Chief Executive's Directorate

This change will bring together a set of key corporate services within a single managerial command. The assumption is that Hungate will allow us to provide a better and more efficient central service for internal customers. In practice this may well mean a single support functions team servicing all Directorates once we are co-located with many transactions moving to a supported "self service" basis. In the meantime the reconfiguring of existing responsibilities consistent with this direction of travel is helpful. Again a detailed timetable and implementation plan would be agreed between the Director of People and Improvement and the Director of Resources.

With these proposed changes, the Director of Resources will be better able to focus on key issues such as

- Financial and Performance planning, monitoring, management and review

- Efficiency and Value for Money
- Procurement
- Audit Commission related inspections and Improvements including CAA, Use of Resources etc
- Service reviews
- Bringing stability and sustainability to a directorate where four key chief officers will have left within less than 9 months.

Related issues and Interim Arrangements

12. In order to enact the above high-level proposals, to ensure a smooth transition, and to put in place interim arrangements during the appointment of the Director of Resources and the Head of Human Resources and the Head of Audit and Risk Management, there are a number of issues to be addressed.
13. It is therefore proposed to transfer Section 151 Officer responsibilities from the current Director of Resources to the Head of Finance, Sian Hansom with effect from the 13th June 2008 until a new Director of Resources commences employment.
14. The post of Head of Finance is currently filled on a temporary basis, however in order to bring stability to the Resources directorate and the Council's financial arrangements during the recruitment of a new Director, members are asked to consider confirming the current postholder in the post on a permanent basis.
16. In order to lighten the workload for the Director of Resources post, bring stability to the management arrangements, and appoint a Proper Officer for Registrars following the departure of the AD – Public Services, it is proposed to transfer responsibility for the Registrars service to Neighbourhood Services under the Assistant Director of Neighbourhoods & Community Safety with effect from the end of May 2008.

All 3 of the above issues are presented in more detail for Member decision elsewhere on this agenda.

17. Lightening of the workload in Resources set out above, together with the changes in responsibility set out below, as well as the improvements and streamlining being brought about by the Easy programme, particularly in Revenues and Benefits, means that the Council has the option not to fill the vacant Head of Public Services role and the associated part time PA. This would save approximately £90K including on-costs. There are a range of temporary arrangements which have been in place since the vacancy of the Head of Public Services arose, and again a detailed plan to bring stability to this, set in the context of wider re-organisation will be brought back to members for final decision. The intention is that alongside implementation of Easy at York in Revenues and Benefits, that the front office functions move to be part of the York Contact Centre and the remaining functions report to the Head of Financial Services

Next Steps

- In order to cover the Director of Resources role from when he leaves on June 13th, it is proposed that the Director of People & Improvement take line management responsibility for Resources Assistant Directors and run joint Directorate Management Teams, until the new Director of Resources arrives.
- Sian Hansom will attend all Council Management Team meetings and Executive meetings as the Council's Chief Financial Officer .
- The new Head of Human Resources when in post will take on the Chairing of the Pay and Grading Project Board, and in that role provide management of the project manager, Geoff Derham. On an interim basis, until the new Head of Human Resources arrives, Kevin Hall, a key Directorate lead on the Board will take on additional responsibilities for the project.
- Simon Wiles has already handed over the Chair of the Easy@york programme to Terry Collins.
- Simon Wiles will hand over his responsibilities for the Hungate Offices project to Heather Rice.
- Further work on the Community Stadium will be handed over to Bill Woolley after Simon Wiles leaves.

Implications

- . **Financial** - During the recent budget process the Council agreed to identify savings of £200k per annum from senior management. The two AD posts identified in this report plus the part time PA and relevant on-costs such as Pensions and National Insurance will deliver savings of £165k. The remaining £35k can be saved from the changes related to Parking, Grounds Maintenance and Highways, although in fact it is anticipated that these changes will save considerably more than that.
- . **Human Resources (HR)** - These issues are covered within the main body of the report. If the direction of travel is approved, detailed implementation and consultation plans will be worked up in line with our management of change policy and these will include changes to line management, new job descriptions which will be evaluated, and a clear timescale and process for consultation.
- . **Equalities** – Covered in the body of the report.
- . **Legal** -
- . **Crime and Disorder** - None
- . **Information Technology (IT)** - Covered in the body of the report.
- . **Property** - Covered in the body of the report.
- . **Other** – None.

Recommendations

Staffing Matters & Urgency Committee is asked to:

- 1) Comment on this initial thinking on Directorate reorganisation and
- 2) Approve the “direction of travel” for the reorganisation.

Reason: To contribute towards the objectives outlined in paragraph 4.

Contact Details

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Report Approved



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Wards Affected:

All

For further information please contact the author of the report

Background Papers: None