

Report of the Director of City Strategy

Review of Directorate of City Strategy

Background and Summary

1. This report sets out proposals for amending the City Strategy Directorate structures to reduce costs and to provide for a more streamlined and effective approach to service delivery. There are a number of reasons why it is now timely to carry out this review and these may be summarised as follows:
 - To meet new legislative requirements such as the Flood and Water Management Act.
 - To improve the directorate's customer focus and support a more integrated approach to service delivery.
 - To provide a more flexible structure that can be more responsive to work demands in the face of necessary capacity reductions.
 - To reflect the downturn in spend budgets following the government's recent Comprehensive Spending Review announcement and in particular the reduction or removal of specific grants to areas such as transport.
 - To respond to significant pressures on income budgets primarily due to the overall downturn in the economy.
 - To improve the directorate's effectiveness in certain areas by rationalising structures such as administration and support, development management, and sustainability and energy management.
 - To complete the Corporate Organisational Review process for City Strategy with regard to necessary management staff reductions.
2. The work has been carried out in conjunction with and supported closely by the More for York team and the HR team.
3. The main proposed changes are:
 - a. A rationalisation of the management structure by combining functions where appropriate and thereby reducing the cost of management overheads on the services.

- b. Changes to structures within individual sections to ensure that they are “fit for purpose” and can deliver the most effective outcomes in the new economic climate.
 - c. Combining of the administration and support services functions to produce a core team approach across the directorate.
 - d. Combining the main strategic spatial functions of land use planning, transport planning, housing and flood and water management to produce a more integrated strategy approach
 - e. The reduction of engineering and transport capacity to reflect the downturn in expenditure due to government grant reductions.
 - f. The disbanding of the Engineering Consultancy with all the continuing necessary residual functions transferred to other appropriate areas of the directorate.
 - g. The review of the work currently carried out by the Business Management, Support and Performance functions and the combining of these with the proposed new administrative and support functions or with the research and development team as appropriate.
 - h. The creation of a new major projects team dealing with all aspects of major site development work across the city from initial enquiry through to detailed planning application.
 - i. The combining of resources currently working on sustainability, carbon reduction and energy management to maximise capacity.
4. Details of both current structures and future proposals are shown in **Annex A**.

Detailed Proposals

5. The review has been carried out using the key objectives set out in paragraph 1. Clearly the reduction in available budget has required a downsizing in certain areas, however the review seeks to minimise the impact to service delivery and effects on customers. This has involved prioritising to ensure that key services continue to be delivered effectively.
6. The detailed proposed changes outlined in **Annex A** are as follows:
7. The **Director’s Group** will see changes in the Business Support and Performance team together with the combining of the administrative functions across the directorate as outlined below.
8. **The administration and support services** are currently split between a central core team and specific support services scattered throughout the main functional teams across the directorate. In some cases this may be a single support officer or it may involve several officers such as in the Development Management team. By combining the services into a single centrally managed team there are significant opportunities for economies of scale.

9. This proposed approach will also have the benefit of moving the directorate closer to the approach that will almost certainly need to be adopted when we move into the new council headquarters in 2013. There are currently 28.6 FTE posts covered by this review and it is anticipated that there could be a significant reduction in this number.
10. As can be seen from the proposals in **Annex A** a full structure has not yet been established for the administration function. It is intended that appointments will be made to the leading roles initially and these appointees will work with staff to develop the finished structures to ensure that there is full and complete cover for all of the work currently required. This second phase of the review will be fully consulted on with the staff and Trades Unions concerned.
11. The **Strategic Planning and Transport** group are undergoing a number of proposed changes. The key component is the reduction from 4 to 3 services in the group with the disbanding of the **Engineering Consultancy**. This will of course mean a reduction of one head of service from the group. The residual required functions from the consultancy will be transferred to the remaining three sections.
12. The first of these is the new **Sustainable Transport Service** which will be formed from the current Transport Planning Unit combined with the design, transport and Safety teams from Engineering Consultancy.
13. The travel choices team will have an operations focus covering public transport, walking and cycling. Public Rights of Way activities will be transferred from Network Management recognising the scope to better link up the management and maintenance of public rights of way and the cycling network. Savings reductions in travel choices are being proposed by reviewing and combining support activities.
14. The projects team combines the activities of the current engineering consultancy design, transport & safety teams. This area has the most number of proposed reductions reflecting the significant decrease in capital funding from central government for transport.
15. The current strategy and modelling teams will be combined into a single team focussing on future transport policy and this will result in a post reduction.
16. There are a range of technical support, monitoring and research functions across the 2 current teams. The proposals will result in a reduction of a technical support officer which reflects the scope to look at these activities together.
17. The second is a new **Integrated Strategy Unit** that will bring together the key strategy work that will shape York's long term future. In the spatial strategies team there are 2 proposed strategy officers reflecting

that the team will bring together work on the LDF and LTP. This provides an opportunity to transfer resource from the current transport strategy team. It is proposed that the head of service will directly line manage the spatial strategy team resulting in a reduction of a principal officer post. There are currently 4 assistant development officer roles which can be looked at together resulting in further post savings.

18. The formation of the Integrated Strategy Unit will also provide the opportunity to carry out the transfer of the part of the Strategic Housing function that currently resides in CANS which was an earlier proposal in the Chief Executive's original council-wide plan. This proposal is fully in line with the way that the Homes and Communities Agency (HCA) are now operating, where their role is seen as more about overall place shaping than broken down into the component parts of Planning, Housing and Transport. The Directors of City Strategy and CANS have previously discussed this approach and are in agreement on the merits of this proposal.
19. The research and development team will have a directorate wide focus and will draw together staff from existing city development, economic development and performance management teams.
20. The creation of a flood risk management unit transfers the current drainage activities from engineering consultancy with a view to supporting a more strategic flood risk management role. This area is subject to a growth bid.
21. The third section is the **Network Management** team and this will include the transfer of Emergency Planning from Engineering Consultancy. This will strengthen its links with Traffic Management, which is a key focus of the council's early response to an emergency situation.
22. Overall a more streamlined structure is proposed focussed on traffic management and highway development and setting of future priorities for this service.
23. The **Planning and Sustainable Development** group will have a new section which will have responsibility for major development projects and initiatives. There will now be a total of four sections within the group as follows:
24. **Building Control and Property Information** is largely funded through fees and charges for the service. There are no proposals for changes to the management of this service although existing vacant posts will not be filled pending an upturn in market activity.
25. The **Development Management** team has been the subject of a restructure and reductions of around 20% in overall staffing levels in 2010, which included a 30% reduction in technical/support resource.

Members have now agreed to the provision of an improved pre-application advice service with effect from January 2011, which will place further demands on existing staff, although this will generate additional income for the Directorate.

26. A number of projects are being undertaken as part of the transition from Development Control to Development Management and to bring about further service improvements and efficiency savings. In these circumstances, there are no proposals as part of this review to make further reductions in the number of Development Management officers or assistants or the number of planning enforcement officers. There will however be a review of administrative functions as part of the Directorate wide review to seek efficiency savings
27. It is proposed that in order to bring a greater focus to promoting and managing effective working relationships with applicants on major development projects, an 'end to end delivery service' that the work of the commercial and majors team is closely aligned with a new major projects and initiatives team within the group. This will involve matrix management of staff under the overall control of the AD.
28. A new **Major Projects and Initiatives** team is proposed which will bring together officers from a number of existing teams in both the Strategic Planning and Transport area and the Planning and Sustainable Development area managed by a new head of service post.
29. It is the intention that this core group of officers with complimentary skills and expertise, would work together with colleagues (particularly those in the Directorate in: the design, conservation and sustainable development team, transport, economic development and the new integrated strategy unit), to provide a holistic, customer focussed approach to dealing with both major /strategic development opportunities and specific major/strategic development proposals from initial enquiry through to implementation ("end to end" delivery).
30. The proposed new section would have a strong focus on both place-shaping the delivery of major applications and key development and regeneration projects /initiatives in the city. The section would have responsibility for the following:
 - The production of Planning Statements
 - The production of Development Briefs
 - The production of Area Action Plans
 - The production of Masterplans
 - The project management of the pre-application advice service co-ordinating the input of all relevant sections / disciplines
 - Post decision implementation work

31. It is proposed that the new section comprises officers from the existing teams :

- The existing City Development team (excluding LDF and Policy /Information)
- The existing York NW team
- The Renaissance team (two)
- DCSD Community Planning function
- Significant project work of the Development Management Majors and Commercial applications team*

**This element of the proposal would effectively involve joint management of the significant project work of the Majors and Commercials application team by the Head of Development Management and the Head of City Planning and Development, following “matrix “ management” principles.*

32. The Renaissance team (2.0 ftes) are temporary posts which are externally funded and there are no proposals in relation to these posts other than the transfer from the Design, Conservation and Sustainable Development into this new section. There will also be a review of administrative functions as part of the Directorate wide review to seek efficiency savings.

33. The **Design, Conservation and Sustainable Development** team existing structure has the majority of officers reporting directly to the head of service. It is proposed that the wide range specialist consultancy roles are grouped into four teams under “Built Environment”, “City Heritage”, “Natural Environment” and “Sustainability”.

34. The Renaissance team and community planning functions would be transferred to the new Major Development Projects and Initiatives section. The existing Sustainability team would be enlarged with the addition of two members of staff from the property team. There will be a review of administrative functions as part of the Directorate wide review.

35. The third group in the directorate is the **Economy and Asset Management** group. The main changes for this group are associated with a significant restructure of the Design and Maintenance teams within the former Property Services group.

36. There are no current proposals to change the management of the **Asset and Property Management** section at present as this team is currently carrying out a comprehensive review of the council’s property portfolio with a view to deciding the best way forward for the council’s property assets. There will however be a reduction of one post as the current Property Consultant post will be deleted. Close monitoring of

future workload will be made to ensure that the section's workload is matched by its capacity.

37. The **Economic Development** team including York Enterprise is a small unit and is key to working with partners to help secure the city's successful economic future, particularly at this difficult time. It is not therefore proposed to change the management of this service although one post will be transferred to the new Research and Development team being established to increase the critical mass of that team and improve flexibility and efficiency. A significant part of the economic development service provision is made through contributions to "arms length" partnerships such as Science City York and Visit York. Officer recommendations are being made to these contributions through the Council's budget setting process, although these are not intended to affect the current arrangements in place to second 2 members of staff to Visit York. There are no proposed changes to the structures for **York Training Centre** and **Future Prospects** specifically through this review although work is underway to review skills and training initiatives across the Council.
38. The main changes within this group are to the existing Design and Facilities Management teams which are combined into a new single **Strategic Business, Design and Facilities Management** section.
39. This is a major restructure of the service which moves it away from its more traditional delivery function to an enabler commissioner role. The proposed restructure will also take account of a reduced capital programme and potential income which has previously funded the work.

Consultation

40. There has been extensive consultation over a considerable period of time throughout the directorate. A copy of the consultation log can be found at **Annex B** and it can be seen that starting from the outlining of initial proposals to the Directorate JCC on the 18th November, that significant proposals were then circulated to staff on the 13th December, 24th December, 7th January and 14th January as consultation continued and proposals were developed. Throughout the whole period there have been a number of staff briefings both individually and with teams as required. Consultation has also involved the Trades Unions at every stage of the process.
41. A significant number of responses have been received with well over 50 emails, which vary from a few paragraphs to one response of 17 pages, as well as other forms of response. All replies have been presented in a constructive way with many supporting the proposals, whilst others make helpful suggestions as to how things may be improved. The proposals presented today reflect some changes made as a direct result of suggestions made through this process.

42. The areas where issues were raised through consultation may be summarised as:

- Major Development Projects and Initiatives – *concerns about the re-location of this service.*
- Energy Team - *concerns about the re-location of this service.*
- City Walls – *loss of experienced staff in house if moved to CANS*
- Managing Transport Strategy and Integrated Strategy – *Concerns about moving Transport Strategy into proposed Integrated Strategy Team.*
- PROW – *Proposed re-location into sustainable transport team from Network Management.*
- Network Management – *Concern regarding income related to Streetworks from the reduction from 3 Inspectors to 2.*
- Admin Support – *Concerns about lack of consideration of the need for specialist admin/technical support in the proposed new structure.*
- City Development – Research & Information. *How will specialist work in modelling and other aspects relating to Sustainable Transport be catered for?*
- Affordable Housing. - *Should this stay in the Major Projects Team?*
- Strategic Housing – *This should be included as part of the proposed integrated strategy and waste strategy work.*
- Team Leader Spatial Strategy Team – *This post is covering too much work.*
- Community Planning – *How will this specialist service continue.*
- Administration & Support. – *Numerous comments about the detail of how this will work.*

43. All consultation responses have been acknowledged and a substantive response will be given. As stated above in some cases concerns have been addressed and changes made to the proposals. It should also be noted that some of the responses refer to detail and issues which will not be decided until the next phase of the review, and there will be further opportunity to input through consultation when that detail becomes available.

44. A discrete consultation process is also underway regarding the detailed restructure of the Design and Maintenance service. The consultation period for staff and trade union responses is due to end on 4th February. A verbal update will be given at the meeting if there are any significant issues arising from this consultation.

Corporate Priorities

45. The review of the City Strategy Directorate has been carried out to reflect corporate priorities and to ensure minimum impact on these priorities. The savings made as a result of the review will make a

significant contribution to bridge the gap in the council's finances following the Government's financial settlement announcement. The Directorate already works closely with public and private sector partners across the city and the proposed changes have been made in a way that provides the opportunity to strengthen partnership working.

Implications

46. **Financial** - The proposed structure from the Service review in City Strategy is anticipated to deliver a cost reduction of £731k.

The saving comprises £265k Organisation Review target, the full year impact of More For York review of City Strategy (£138k) and a saving attributable to 2011/12 budget review (£328k).

The final savings attributable to the review will not be finalised until all job descriptions have been scored and grades attributed to posts. These changes however are not anticipated to be significant to the overall saving.

47. **Human Resources (HR)** – The Council's newly revised management of change process will be used in the implementation of the proposed restructure and HR business partners and advisors have been involved heavily in the restructure to date. All attempts will be made to redeploy any staff that are at risk. Voluntary redundancy and retirement and flexible working opportunities will be considered to avoid compulsory redundancies.

48. **Equalities** - An EIA will be completed before the structure is finalised

49. **Legal** - None

50. **Crime and Disorder** None

51. **Information Technology (IT)** None

52. **Property** None

Risk Management

53. Failure to produce a significant contribution to the council's revenue budget will present a significant risk that the council will not be able to balance its ongoing budget.

Recommendations

54. Members are asked to:

- (i) approve the outline proposals established through phase one of the review of the Directorate of City Strategy:

- (ii) delegate to the Director of City Strategy the completion of the review through the detailed phase two and to implement the outcome of the review.

Contact Details

Author:		Chief Officer Responsible for the report:		
Author's name Bill Woolley Title Director of City Strategy Tel No. Ex 1330		Chief Officer's name Bill Woolley Title Director of City Strategy		
		Report Approved	✓	Date 2.211
Specialist Implications Officer(s)				
Financial		Legal		
Name	Patrick Looker	Name		
Title	Finance Manager	Title		
Tel No.	01904 55633	Tel No.		
Wards Affected: N/A				All <i>tick</i>
For further information please contact the author of the report				

Annex A – Current and Proposed Structures
Annex B – Consultation Log