

ORGANISATIONAL ASSESSMENT BEST VALUE REVIEW
SUB-COMMITTEE

FRIDAY, 22 MARCH 2002 AT 2.00 PM

PRESENT: Councillor Jefferson (Chairman), The Mayor (as a substitute for Councillor Mrs Prest), Councillor Bain (as a substitute for Councillor Ms Blackadder), Mrs Bradley and Guest

ALSO PRESENT: Councillors Ellis, Mrs Rutherford and Fisher (L) were also present in a non-voting capacity.

OABV.16/02 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs Prest and Blackadder.

OABV.17/02 DECLARATIONS

There were no declarations of interest or declarations of the party whip.

OABV.18/02 MINUTES

The Minutes of the meeting held on 13 March 2002 were moved by Councillor Guest.

RESOLVED – The Minutes of the meeting of the Organisational Assessment Best Value Review Sub-Committee held on 13 March 2002 were agreed and received.

OABV.19/02 ORGANISATIONAL REVIEW – PROPOSED OPTIONS

A copy of the Town Clerk and Chief Executive's report TC.62/02 had been circulated.

He informed Members that in order to address the potential changes arising from LSVT and Leisuretime Externalisation together with Regional and Central Government demands, and to deal with the issues raised in the Scoping Report the Council needed to reform its management and organisational arrangements.

He informed Members that HACAS Chapman Hendy had been asked to undertake a fundamental review of the Council and propose options for its future management structure in order to provide a flexible framework to manage change and maximise the potential of staff within the authority.

Attached to the Town Clerk and Chief Executive's report was a copy of the report from the Consultant, Gerald Davies from HACAS Chapman Hendy, which set out the proposed options for the future Officer

structure for the authority for consideration by the sub-committee prior to consultation with staff, Trade Unions and Members of the Council. The Town Clerk and Chief Executive added that the report from the Consultants would also be considered by the Executive on 25 March 2002 prior to the commencement of the formal consultation period.

Gerald Davies from HACAS Chapman Hendy outlined the contents of the report which he had produced on the City Council's Corporate Organisational Best Value Review and set out the range of options for consideration. He took Members through the 12 recommendations which had been formulated in relation to the principle issues which had arisen from the key questions for consideration.

In response to the recommendation regarding the grouping of Corporate Support functions, Mr Davies suggested that the Corporate Support functions set out in paragraph 4.16 had been grouped together in some of the "compare" authorities for effective management and co-ordination in order to avoid any overlap and unnecessary work and create a more efficient organisation.

In relation to the question of whether there should be a strategic core to the organisation, Members questioned the role and the status of the post of Head of Strategic Services in a new structure and whether that post should be created on a higher level than, for instance, the Council's Monitoring Officer or the Council's Section 151 Finance Officer.

Members also commented on whether the post of Chief Executive should be called free-standing when he would effectively have the strategic core of the organisation reporting to him via a Head of Strategic Service and added that there were elements within those strategic services which could sit with other sections.

The Consultant commented that the structure as set out was a proposal for a debate and consultation and the details of individual functions could be considered by the Sub-Committee when the next report had been prepared. He added that some of the functions under the strategic services could sit within the Corporate Resource area and could be distributed in other ways, but he believed that an authority with a strong strategic core, and with the Head of the Strategic Services reporting direct to the Chief Executive was the most appropriate solution for Carlisle.

Members further commented that there needed to be further information given with regards to the costs of the proposed structures as set out in the Consultant's report. The reference in the report to the costs being contained within existing costs was noted but Members were unclear as to whether this was possible. Members felt there was a need for further details with regard to costs, job descriptions, job responsibilities and the position regarding alternative structures, rather than submit one option for consultation with any gaps being filled in at a later date. It was further noted that there were no comparative costs with other authorities and that the details of the costs for the authority would need to include possible or potential redundancy costs.

Members felt that rough costings should be available to Members prior to consideration of a structure and prior to submitting their comments.

The Town Clerk and Chief Executive commented that the process the Council were undertaking involved the initial stage of identifying the future shape and type of Authority. The proposals had been drawn up by the Consultants in response to the key principles but it was envisaged that the structure would cost broadly the same as the Council's current structure. It was not however possible to identify costs until the shape of the authority had been defined and until more detailed work had been done and it was not practical to do that level of detailed work for more than one option. He added that once an option had been agreed the consultation process would begin, following which the Consultants would draw up the detailed structure to include full details of posts, Job Descriptions and maximum/minimum costs.

In response to Members questions, the Town Clerk confirmed that a Risk Management Assessment had been carried out on the proposal which had been submitted to the Corporate Management Team. A report would be submitted to the next meeting of the Sub-Committee. The Consultant further added that there was not at present any means to reflect an individual Local Authority's performance, and whilst Comprehensive Performance Assessment would be coming to Local Authorities, additional work would need to be carried out to identify methods of indicating how well Local Authorities were performing.

The Consultant then took Members through the different organisational charts setting out the various alternative options for the Management Structure of the Authority, which were:-.

- Enhancing or amending the current Departmental structure
- Area Based Management
- Flat Management
- Thematically Based
- Strategic/Coordination

The Consultant described each of the options in turn and identified the advantages/disadvantages of each proposal.

In relation to the thematically based option, Members questioned the Consultant on the recommendation that the proposed option was inflexible and did not have a corresponding level of strategic capacity to that which was contained in the Strategic/Coordination Model.

The Consultant commented that whilst the Thematically based option had merits, its themes followed those which existed in the Council's Overview and Scrutiny areas, and in his view should those themes change in the future, it may be that the flexibility to similarly change the Officer structure would be difficult to achieve.

With regard to the number of Executive Directors, the Consultant felt that the number of Executive Directors involved in the Structure should be appropriate to the size of the Authority, the level of affordability and managerial responsibilities, and in that respect his recommendation was that the option for the Strategic/Coordination proposal of 2 Executive Directors was his recommendation.

Members further commented that they did not consider that the structure should mirror either the Overview and Scrutiny Committees or the Portfolio Holders, but felt that there was merit in the Strategic Services reporting via an Executive Director level and not direct to the Chief Executive.

The Consultant commented on the issue of Strategic Services and particularly whether they report direct to the Chief Executive or via an Executive Director. He drew comparisons with other authorities including Chester, and added that the issue would be dealt with as part of a future report.

The Town Clerk and Chief Executive commented that the Strategic Services should not be seen as the Chief Executive's support but support for the Executive, Overview and Scrutiny and Members generally, and was a central resource for the full Council. The resource would be used as an engine for change which it was envisaged would operate close to the Chief Executive and Members.

Some concern was expressed that given the timetable for the organisational re-structure and given the Authority's current workload with regards to LSVT and Leisuretime Externalisation, whether the Authority had the capacity to carry out the re-organisation in the timetable set out.

The Chairman then moved that the Strategic/Co-ordinational Option (Chart 5) should be agreed for consultation.

RESOLVED - That the following recommendations as contained in the Consultant's report be agreed as a basis for consultation:

1 That the authority should maintain the function of Chief Executive on a freestanding basis. It would seem that the advantages and disadvantages of having certain core strategic functions directly answerable to the Chief Executive are reasonably even but on balance it is recommended that certain core strategic functions should be at the heart of the organisation and therefore under his direct aegis.

2 That the authority should introduce a strategic layer into its organisation, placed immediately below the Chief Executive and responsible for strategic development, the co-ordination of operational services and the attention necessary to address the improvement agenda.

3 That the services should be lead by Heads of Service who are primarily responsible for their day-to-day operation but are also expected to be able to contribute to the development and implementation of corporate working.

4 That the decision on how the co-ordinational approach to regeneration be handled within the Council's new structure be informed by the work being undertaken in the Regeneration Best Value Review within the Key Principles set out in this report.

5 That these corporate support service functions be grouped together under co-ordinational management at the strategic level.

6 That there should be established a service within the Council which will be responsible for championing, co-ordinating and as appropriate executing high standards of customer contact services for both internal and external customers and that this should embrace the implementation of e-government.

7 That there should be a central co-ordinated strategic core under the aegis of a senior manager reporting to the Chief Executive incorporating the following functions :

Audit; Best Value; Communications; Members' Services; Performance; Policy and Strategy; Procurement; Risk Management; Major Change and Project Co-ordination.

8 That there should be no direct linkages established between specific Executive Portfolio Holders and particular Senior Managers and all posts should support both the Executive and the Overview and Scrutiny processes.

9 That a centralised procurement function be established as part of the new strategic core of the organisation.

10 That as part of the duties of one of the Managers at the Strategic

co-ordinational level they would need to be available to the Overview and Scrutiny Committees as a corporate resource when necessary so as to ensure that there is a co-ordinated response to their requirements.

11 That the need for provision for Performance Management and Best Value should be incorporated within the proposed Strategic Services core.

12 That there should be a corporate strategic approach to the delivery of major change and large-scale projects and that this should be a function of the proposed strategic services core of the new organisational structure.

13 That the Strategic/Co-ordination Model (Chart 5) be the preferred option for consultation with staff, Trade Unions and Members, and for the development of further detailed proposals, and that a copy of the Consultants Report as attached to Report TC.62/02 be circulated for consultation.

14 That in accordance with Council Procedure Rule 17.5, Councillor Mrs Bradley recorded that she had voted against the above Resolutions, and

That it be further noted that Councillor Mrs Rutherford, whilst not attending the meeting in a voting capacity, considered that the Sub-Committee should submit two options for consultation, those being the option for the thematically based proposal (Chart 4) and the Strategic/Co-ordination proposal (Chart 5).

It was also noted that it was the intention that the whole of the Consultant's report should be circulated during the consultation.

(The meeting ended at 3.35)