

**CARLISLE CITY COUNCIL**  
**CORPORATE ORGANISATIONAL**  
**BEST VALUE REVIEW**  
**COMPARE REPORT**  
**March 2002**

## 1. Preamble

1.1 This is the third report prepared as part of the Corporate Organisation Best Value Review. The previous two were

- “The Scoping Report” ( January 2002)
- “Proposed List of Councils for the Compare Stage” (February 2002)

## 2. Recommendation

2.1 That this report be approved as providing a basis for comparison when the future structure of the City Council is considered later in the process.

## 3. Background

3.1 This report provides information on the 15 Councils agreed by the Overview and Scrutiny (Management) Sub-Committee as those to be included for the purpose of meeting the requirement to **compare** as part of the Best Value Review process. It builds on the work already undertaken for the Authority by The District Auditor which was considered at the first meeting of the Sub-committee.

3.2 There is not guidance specifically on how the compare aspect should be fulfilled when undertaking a Best Value review of the corporate organisation of a local authority.

3.3 Set out in this report and particularly within Appendix 2 is a lot of data on these councils.

3.4 Clearly there is probably no-end to the extent of data which can be produced and analysed for an exercise of this nature. As to what is of direct relevance to this review is to some extent a subjective judgement.

3.5 The difficulty is that no one local authority is like another – all have to respond to a complex inter relationship of many factors such as:

*geography*  
*politics*  
*ethnicity*  
*infrastructure*

*topography*  
*finance*  
*health*  
*crime*

*economy*  
*deprivation*  
*education*

and so on.

3.6 Each local authority will have also been moulded over time by its history and the influence of its member officers and the community.

3.7 Thus it is not our intention within the main report to draw out comparable factors which although interesting in themselves may not always be of significance in relation to a review of this nature.

3.8 There are some areas which are of significant interest, particularly those which raise approaches or ideas which could guide the Council towards its new corporate structure. Specifically these relate to the structures of the councils.

## 4. Compare Councils Structures.

### 4.1 The following are the key findings:

- All but one had undertaken a corporate restructuring in the last 3 years and that authority – Exeter had done so in 1996.

*(This compares with Carlisle where the last major changes to the corporate structure was undertaken in 1991.)*

- All have a Leader and Cabinet system in place

*(The same as Carlisle).*

- 10 have directors or heads of service who are responsible to a particular portfolio holder. One has a system in place whereby each of 3 Executive Directors relate to 2 portfolio holders (Stratford upon Avon). Another, Gloucester, is the subject of special examination later in this report.

The remaining 4 – Lancaster; Norwich; Shrewsbury and South Somerset have no direct corresponding portfolio holder / senior manager relationship.

*(As now in Carlisle where at present no such linkage exists)*

- 10 have introduced a strategic tier of management with the creation of executive / strategic / corporate directors.

This is in line with the findings of the District Auditor contained in his report.

*(There is no such tier in the Carlisle structure)*

Of these, as well as having the role to address the wider corporate strategic issues, 8 have allocated their executive director specific departmental responsibilities.

Of the other 2 one, Blackburn with Darwen, has a structure where there are themed groupings of service directors relating to specific Executive Directors but not under their operational management. These themed groupings are entitled:

Community and Personnel  
Resources  
Regeneration and Technical.

The other authority, Chester, where the Executive Directors have no direct managerial responsibility is the subject of special examination later in this report.

- All but three (Ipswich, Norwich and Stratford upon Avon) have a freestanding chief executive. That is where the Chief Executive has no departmental responsibilities and therefore is free to manage the authority as a corporate whole and not get involved in the day – to – day issues except by exception. In some cases though a freestanding chief executive will have certain core strategic functions such as policy and performance under their direct control.

*(In Carlisle the Chief Executive has significant departmental responsibilities)*

- The way in which these core strategic functions report presents the greatest variety as the following illustrates:

Direct to the Chief Executive	6 councils
To the Chief Executive (but under a Head of Service)	4 councils
To an Executive Director (but under a Head of Service)	3 councils
To an Assistant Chief Executive	2 councils

- None of the authorities had a flat management structure – whereby the operational heads of service level all report direct to the Chief Executive without there being a strategic management or traditional (departmental) management structure in between.
- There was little evidence of support services (such as finance or personnel) having been delegated direct to operational service areas – principally this is due to the size of the authorities surveyed. In one of the Unitaries (Blackburn with Darwen) a number of support services have been externalised and are now provided by Capita DBS for the Council.
- All of the Councils (apart from Norwich) retain DSOs.
- 5 of the authorities have transferred their whole housing stock, 1 has undertaken a partial transfer (Preston). 2 are currently in process towards transfer (Worcester and Crewe and Nantwich).
- Those Councils which have introduced a strategic management layer have differing numbers in these key positions as follows:

2 Executive Directors	-	3 Councils	Average number of HOS - 10.5
3 Executive Directors	-	6 Councils	Average number of HOS - 18.

This is in line with the findings of the District Auditor contained in his report.

- Those with traditional management structures have an average of just over 5 directors and an average of 21 heads of services. *(This is exactly the same as in Carlisle)*
- The pros and cons of both the strategic director set up and a traditional set up as provided by the Council's surveyed are set out in Appendix 3.

## 5. Compare authorities example structures.

5.1 To illustrate the different options and ideas currently being utilized four of the compare authorities' structures have been more closely examined and are set out in Appendix 4.

*For ease of comparison the Carlisle structure is also provided.*

5.2 In outline these structures can be summarized as:

<b>Chester</b>	Strategic with clear division between operational and strategic.
<b>Exeter</b>	Strategic without a clear division and showing a strong strategic core.
<b>Gloucester</b>	Strategic with clear linkage to the new political management arrangements
<b>Norwich</b>	Traditional departmental with 7 departments
<b>Carlisle</b>	Traditional departmental with 5 departments

5.3 In appendix 4 is a fuller explanation of their structures.

## 6. Conclusion

6.1 The principal facts arising from this exercise are

- All but one of the compare list authorities have undertaken a recent corporate restructuring.
- The trend is overwhelmingly towards a structure with a built in strategic tier.
- Increasingly Strategic Directors are being introduced in preference to Chief Officer (Director) type positions.
- Predominately Heads of Service are freed up to get on with their day – to – day operational responsibilities.
- Most authorities are favouring a direct link to the new political arrangements with designated senior managers.
- A large number of Chief Executives are now freestanding, some with strong direct strategic support.

## FOR CONSIDERATION

**HACAS Chapman Hendy**  
**March 2002**

**CARLISLE CITY COUNCIL**

**CORPORATE ORGANISATIONAL**

**BEST VALUE REVIEW**

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**COMPARE REPORT**

**APPENDICES**

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Authority	Type of Council	Population	Urban/Rural	LSVT	Sub-regional Centres
<b>Carlisle</b>	<i>City (District)</i>	<b>105264</b>	<b>Mixed</b>	<b>Yes (underway)</b>	<b>Yes</b>
Blackburn with Darwen	Unitary	138400	Urban	Yes (2001)	Yes
Chester	City (District)	117500	Mixed	Yes (2000)	Yes
Crewe & Nantwich	Borough	116700	Mixed	Yes (underway)	No (but significant)
Darlington	Unitary	100500	Mixed	No	No (but significant)
Durham	City (District)	91400	Mixed	No	No (but significant)
Exeter	City (District)	111300	Urban	No	Yes
Gloucester	City (District)	109000	Urban	No	Yes
Ipswich	Borough	113900	Urban	No	Yes
Lancaster	City (District)	136700	Mixed	No	Yes
Norwich	City (District)	127400	Urban	No	Yes
Preston	Borough	136900	Urban	No	Yes
Shrewsbury & Atcham	Borough	99100	Mixed	Yes (2001)	Yes
South Somerset	District	155000	Mixed (5 small towns)	Yes (1999)	No
Stratford upon Avon	Borough	114700	Mixed	Yes (1996)	No (but significant)
Worcester	City (District)	97000	Urban	No	Yes

District Council	Carlisle	Chester *	Crewe and Nantwich	Durham	Exeter *	Gloucester *	Ipswich
Population	105264	117500	116700	91400	111300	109000	113900
Political Control	Conservative	NOC	Labour	Labour	Labour	NOC	Labour
Political Structure	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet
Deprivation Ranking	135 <sup>th</sup>	103 <sup>rd</sup>	144 <sup>th</sup>	136 <sup>th</sup>	137 <sup>th</sup>	87 <sup>th</sup>	158 <sup>th</sup> *
Unemployment %	2.2%	1.5%	1.8%	2.1%	2.2%	2.3%	2.7%
Pop. Density persons per h.	0.98	2.62	2.66	4.82	23.2	26.9	28.6
Urban / Rural	Mixed	Mixed	Mixed	Mixed	Urban	Urban	Urban
Net spend £m.	£17.8m	£14.4m	£12.5m	£10.5m	£13.2m	£15.7m	£18.1m
Spend per head of pop. £	£174.0	£122.13	£107.37	£114.88	£118.50	£144.04	£158.91
Service spend per head £	£137.32	£116.43	£95.63	£124.91	£129.13	£160.06	£107.21
Band "D" Council Tax	£974.84	£981.32	£973.17	£927.14	£847.96	£889.07	£946.71
SSA (£'m)	£10.8m	£11.9m	£10.9m	£8.8m	£12.6m	£11.7m	£12.5m
Employees (FTEs)	655	700	867	750	671	750	800
Employ.per 1000pop	11.7	n/a	7.2	10.8	7.2	7.3	11.2
Transferred housing stock	Underway	Yes 2000	Going to in 2002	No	No	No	No
Summary of senior Management Structure	Chief Exec. 5 Directors 21 HOs	Chief Exec. 2 EDs 12 HOs	Chief Exec. 6 Directors + 2 Assist CE ? HOS	Chief Exec. 2 EDs 4 Directors 6 HOs	Chief Exec 3 EDs + Assist CE 20 HOS	Man. Director 2 EDs 10 HOS	Chief Exec 3 EDs 28 HOS
Chief Exec. freestanding	No	Yes	Yes	Yes	Yes	Yes	No
Dirs. or HOs report to Cabinet Member	No	No	Yes	Yes	Yes	Yes	Yes
Decentralised Support servs.	No	No	Yes	No	No	Yes	Yes

\* More information being obtained on these authorities -- see the main report.



**Carlisle City Council  
Corporate Organisational Review 2002**


**Comparative Local Authority Data  
District Councils**

**Appendix 2a(cont)**

District Council	Carlisle	Lancaster *	Norwich *	Preston	Shrewsbury & Atcham	South Somerset	Stratford upon Avon	Worcester
Population	105264	136700	127400	136900	99100	155000	114700	97000
Political Control	Conservative	NOC	Labour	NOC	NOC	Lib Dem	Conservative	NOC
Political Structure	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet
Deprivation Ranking	135 <sup>th</sup>	96 <sup>th</sup>	93 <sup>rd</sup>	46 <sup>th</sup>	158 <sup>th</sup> *	158 <sup>th</sup> *	158 <sup>th</sup> *	158 <sup>th</sup> *
Unemployment %	2.2%	2.5%	3.35%	2.3%	1.4%	1.1%	0.9%	1.7%
Pop. Density persons per h.	0.98	2.3	32.3	8.85	1.61	1.60	1.17	27.9
Urban / Rural	Mixed	Mixed	Urban	Urban	Mixed	Mixed	Mixed	Urban
Net spend £m.	£17.8m	£16.6m	£20.3m	£22.1m	£11.8m	£17.2m	£10.9m	£11.1m
Spend per head of pop. £	£174.0	£121.43	£159.34	£161.43	£119.07	£179.83	£95.03	£114.43
Service spend per head £	£137.32	£107.21	£152.24	£153.96	£98.82	£114.53	£98.18	£110.84
Band "D" Council Tax	£974.84	£978.98	£933.64	£1048.77	£876.58	£891.08	£891.70	£866.76
SSA (£'m)	£10.8m	£15.9m	£16.5m	£17.1m	£8.9m	£14.1m	£10.3m	£9.8m
Employees (FTEs)	655	850	700	1110	400	550	355	524
Employ.per 1000pop	11.7	8.0	16.7	11.4	7.2	5.9	3.0	8.5
Transferred housing stock	Underway	No	No	Partial transfer	Yes	Yes	Yes	Underway
Summary of senior Management Structure	Chief Exec 5 Directors 21 HOS	Chief Exec 3 EDs 19 HOS	Chief Exec 8 Directors 32 3 <sup>rd</sup> tier	Chief Exec 5 Directors 16 Asst. Dirs 11 HOS	Chief Exec 3 EDs + Asst. CE 17 HOS	Chief Exec 5 EDs (4 are Area Directors)	Chief Exec 3 EDs 13 HOS	Chief Exec 3 Dirs 13 HOS
Chief Exec. freestanding	No	Yes	No (has legal + property)	Yes	Yes	Yes	No	No
Dirs. or HOS report to Cabinet Member ?	No	No	No	Yes	No	No	No	Yes
Decentralised Support Serv	No	No	No	No	No	Partially	No	No

\* DTLR ranks all authorities with a deprivation rank below 157<sup>th</sup> place as being 158<sup>th</sup>.

District Council	<b>Carlisle</b>	<b>Blackburn with Darwen</b> 	<b>Darlington</b>
Population	105264	138400	100500
Political Control	Conservative	Labour	Labour
Political Structure	Leader & Cabinet	Leader & Cabinet	Leader & Cabinet
Deprivation Ranking	135 <sup>th</sup>	15 <sup>th</sup>	73 <sup>rd</sup>
Unemployment %	2.2	2.25	3.0
Pop. density: persons per h	0.98	10.1	5.09
Urban / Rural	Mixed	Urban	Mixed
Net spend £m.	£17.8m	£156.1m	£89.1m
Spend per head of pop. £	£174.00	£1127.89	£886.57
Service spend per head £	£137.32	£1156.71	£884.32
Band "D" Council Tax £	£974.84	£1011.52	£830.43
SSA (£'m)	£10.8m	£141.4m	£85.8m
Employees (FTEs)	655	5211	4000
Employ.per 1000 pop	11.7	n/a	41.8
Transferred housing stock	Underway	Yes	Underway
Summary of senior Management Structure	Chief Exec 5 Directors 21 HOS	Chief Exec 3 EDs 9 Directors	Chief Exec 5 Directors 24 HOS
Chief Exec. freestanding	No	Yes	Yes
Dirs. or HOs report to Cabinet Member	No	Yes	Yes
Decentralised Support services	No	No	No

 Blackburn with Darwen have undertaken a recent radical public/private partnership with Capita DBS which has seen : accountancy; revenues; personnel; IT; technical services; reprographics; and graphics all now being delivered by Capita.

**What would you say is good about having a structure with Executive / Strategic / Corporate Directors?**

- It works better at a strategic level
- The authority is becoming more corporate
- It has freed up strategic thinking
- The day to day work is left to the service heads
- The new 2<sup>nd</sup> tier has a much wider horizon as they float and do not have direct service responsibilities
- There is a focus on the development of corporate priorities
- There is a wider vision
- There is greater integration of service priorities
- There are fewer boxes and those that remain are now lower in the organisation
- Certainty – as long as there is adequate support for the scrutiny function
- The authority had various time bombs which would not have been resolved under a traditional structure but by being able to take a corporate view these have all been sorted out
- It helps members to have a corporate picture
- It very much depends on the calibre of the director and their ability to see wider implications of courses of action, working relationships etc
- There is now a clearer focus on corporate objectives
- It provides a balance for our long established Area Committees
- It gives a greater degree of corporate working across the organisation with less likelihood that service / silos develop at the expense of the whole organisation
- Corporate Directors with managerial responsibility blend together strategic and service management
- It reduces defensive departmentalism and increases corporate working
- It provides the opportunity to think more strategically

**What would you say is problematic or less successful about this approach?**

- It can look more costly but when closer examination is made of organisation structures it compares favourably
- Departments / Directors think they lose out!
- No major problems
- Political interface is not as strong
- The old fashioned view causes a problem
- Departmental mentality amongst some directorates
- There is a danger of breaking the organisation into tiers
- Some senior managers have not moved as quickly as the City Executive wanted them to
- Can be de-stabilizing
- Not many drawbacks – it is now starting to work well
- It takes time for the organisation to change from a traditional hierarchy to a flatter, broader structure and some executive directors may be more successful than others at adopting a strategic brief
- Matrix management takes a lot of time and is not always in balance
- The time it has taken to introduce has been very disruptive
- Sometimes it is unclear where decisions are made.

**If you have another structure what would you say was good about it?**

- There is more accountability for best value performance
- The rest of the Council perceive the Corporate Management Team as being remote, and are curious about their role
- Generally felt nothing good about structure at present except that it was an interim structure and everybody knew that.
- It has created a good team who deal with the corporate and strategic management issues of the Council and who detach their service responsibilities from this aspect of their work
- Number of people nearing retirement

**If you have another structure what would you say was not so good about it?**

- Under modernisation people adapt very slowly – old hands die hard
- Culture change is slow – this varies between services
- There is the need for a vertical training curve
- It is an interim structure
- LSVT not taken place yet will mean losing employees
- Structure not working need more strategic team
- Query over director roles – probably lose one when housing goes
- Too many Heads of Service

**Chester (*Appendix Chart 4a*)**

- Introduced in mid 2000
- Chief Executive wholly freestanding
- 2 Strategic Directors without operational responsibilities whose role is to co-ordinate and act as mentor
- No strategic central core
- Heads of Service have full operational responsibility
- No designated manager to portfolio holder relationships
- One Strategic Director is responsible for managing the overview and scrutiny function

**Exeter (*Appendix Chart 4b*)**

- Introduced in 1996
- Chief Executive freestanding
- Strong strategic core headed up by an Assistant Chief Executive
- 3 Strategic Directors with operational coordinational responsibilities
- Large number of Heads of Service (18) who have day to day operational responsibility

**Gloucester (*Appendix Chart 4c*)**

- Currently being introduced
- The Chief Executive Officer (Managing Director) is freestanding with direct strategic support
- 2 Strategic Directors with themed coordinational responsibilities
- Heads of Service (Resource Managers and Executive Managers) have day to day operational responsibility
- The new political arrangements (Gloucester was a pathfinder authority for a cabinet structure) have built in linkages for both the Cabinet portfolio holder and the Overview and Scrutiny Committees
- The head of Internal Audit reports directly to a strategic director

### **Norwich** (*Appendix Chart 4d*)

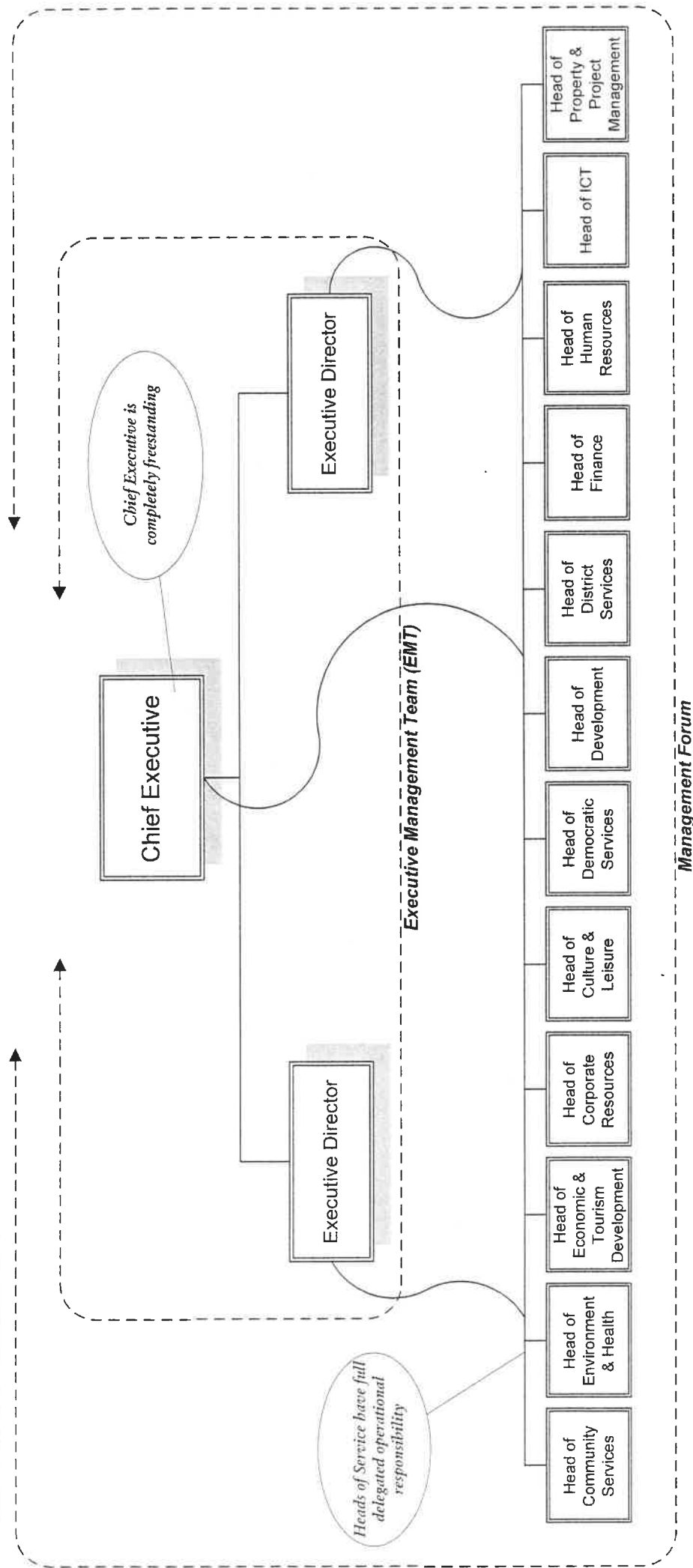
- Introduced in Autumn 2000
- Traditional style based upon 7 departments
- Chief Executive not freestanding having the responsibility of both the legal and the property services
- No specific strategic level – the Chief Officers are all expected to operate strategically
- Very large number of 3<sup>rd</sup> tier posts ( 32 )
- No strategic core with communications, policy and performance coming under 3 different Chief Officers

### **Carlisle** (*Appendix Chart 4e*)

- Introduced some time ago but modified significantly in 1991
- Traditional style based upon 5 departments
- Town Clerk and Chief Executive has major functional and departmental responsibilities
- No strategic tier

# Chester City Council

Clear distinction between the strategic & operational tiers - introduced mid 2000



There is no direct relationship to specific cabinet portfolio holders who have thematic responsibilities

The managerial relationship of the EMT with the Heads of Service is principally a mentoring one rather than dealing with operational matters

One Executive Director has the corporate responsibility for managing the Overview & Scrutiny functions



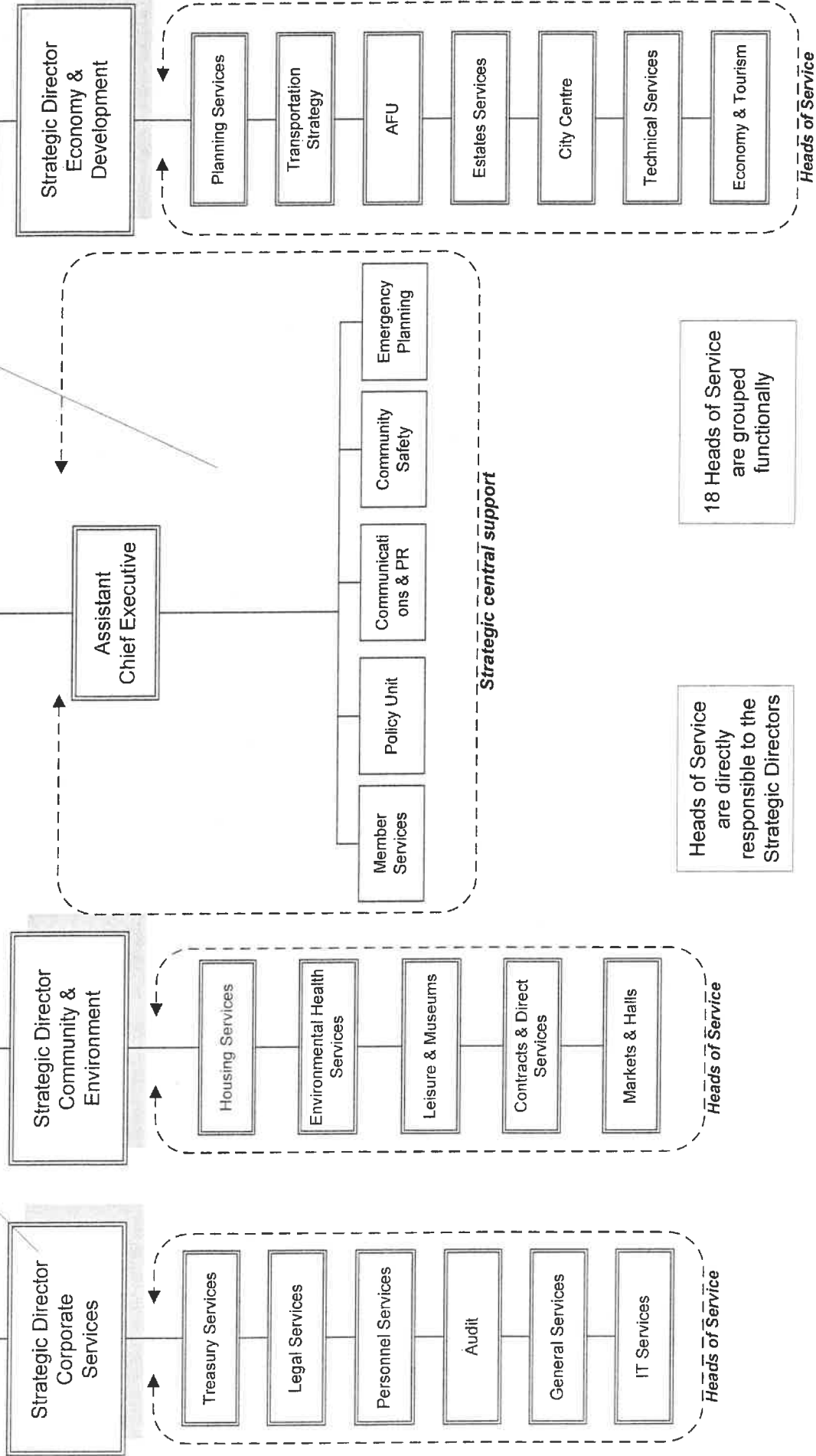
3 strategic director format showing functions at the centre - introduced 1996

Strategic Directors have functional coordinational roles

# Exeter City Council

Chief Executive

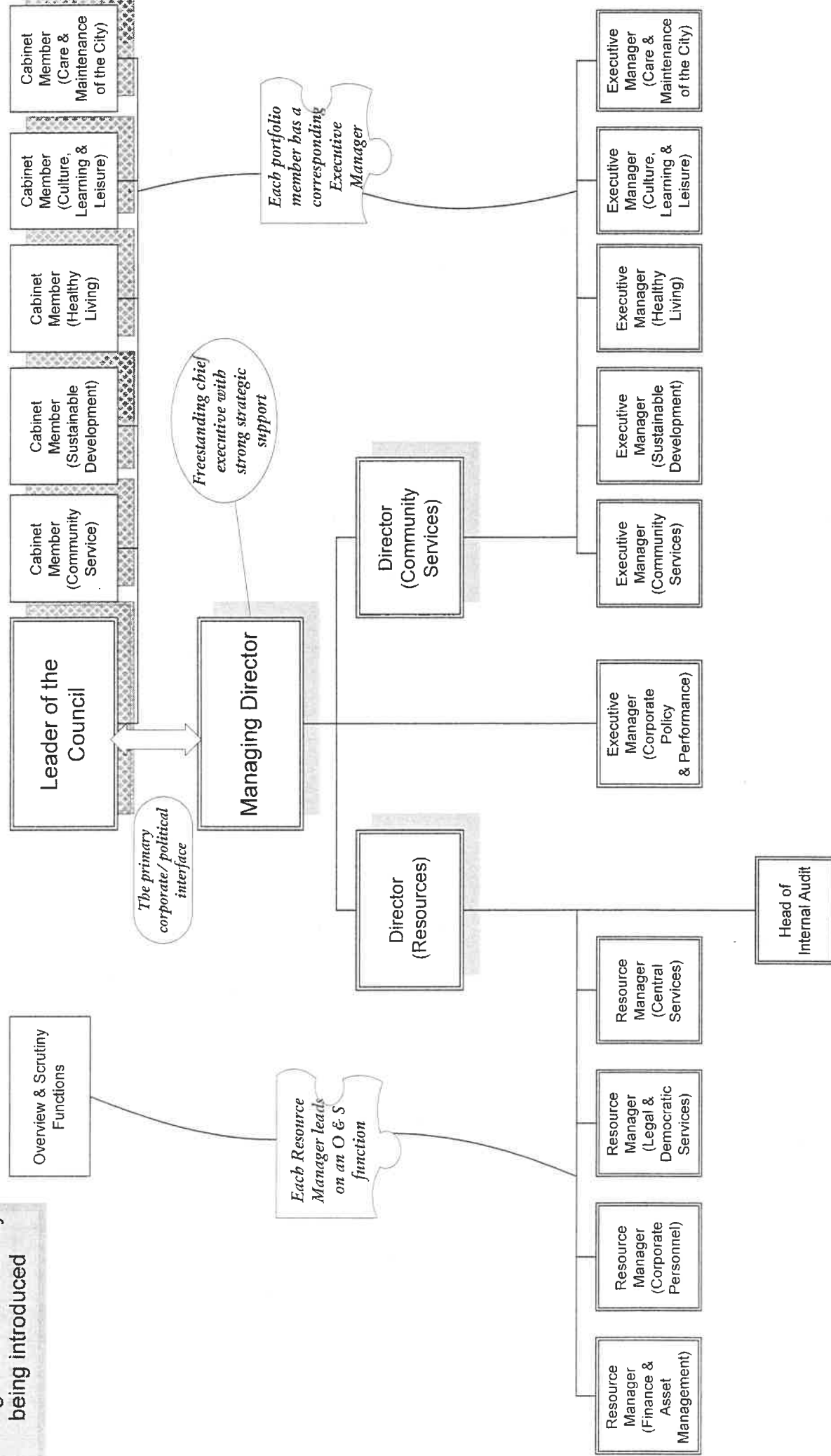
Strong strategic centre



2 strategic director format which reflects the new political arrangements - currently being introduced

# Gloucester City Council

## Appendix 4c

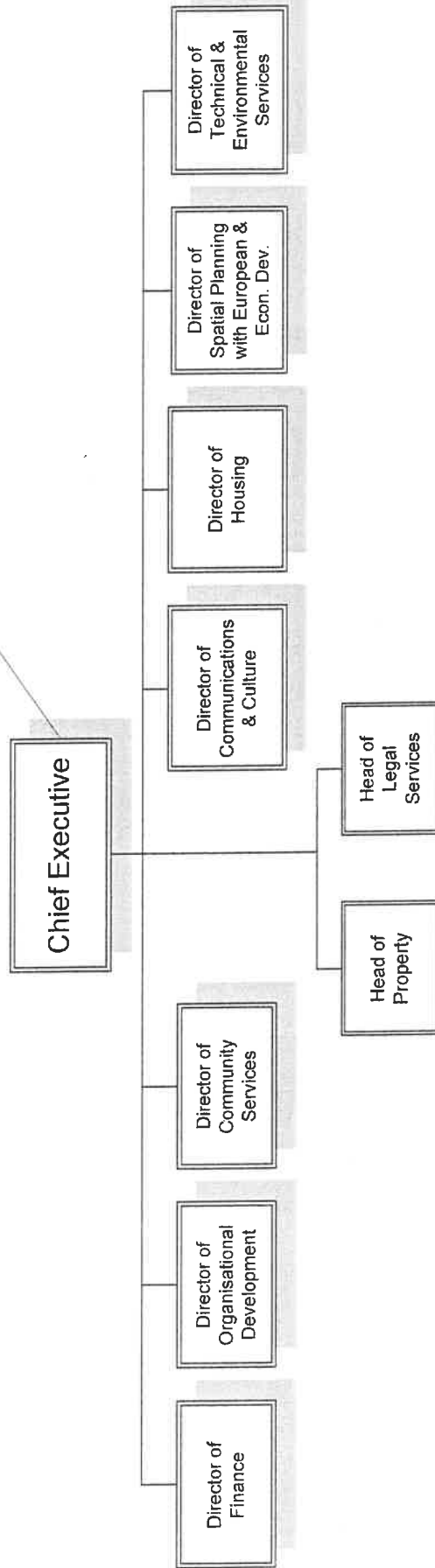


Traditional  
Departmental  
Structure -  
introduced Autumn  
2000

# Norwich City Council

Appendix 4d

Chief Executive has  
departmental  
responsibilities



Recent restructure -  
15 months old

No strategic level or  
core strategic  
services

# Carlisle City Council

## Current Departmental Structure

### Appendix 4e

