



OVERVIEW AND SCRUTINY ORGANISATIONAL ASSESSMENT BEST VALUE SUB COMMITTEE

Committee Report

Public

Date of Meeting: 31 MAY 2002

Title: ORGANISATIONAL REVIEW: RESULTS OF CONSULTATION ON
PROPOSED OPTIONS

Report of: TOWN CLERK AND CHIEF EXECUTIVE

Report reference: TC. 103/02

Summary:

As part of the Organisational Best Value Review process this report provides the results of the consultation on proposed options and seeks the views of the Sub Committee to inform the future stages of the review.

Recommendations:

Members are requested to agree the attached report from HACAS Chapman Hendy as the basis for further consultation and preparation of detailed proposals within the next stage of the process and to indicate views on the issues identified in paragraph 2.3 of this report for decision by the Council.

Contact Officer: Peter Stybelski

Ext: 7001

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. Introduction

- 1.1 Members will recall that at the meeting of the Sub Committee on 22 March 2002, a preferred option was identified for consultation with staff, Trades Unions and Members as the basis for the preparation of further detailed proposals.
- 1.2 Members will appreciate that the Organisational Review Project is as much about changes in culture as it is about a new Management Structure and the process thus far has been designed with this in mind. Extensive consultation has taken place including:
- A letter to all Members and Staff requesting comments
 - The use of a unique email address
 - Management Briefings for the 70 most senior managers in the authority
 - Weekly open 'drop in' sessions held by the Town Clerk and Chief Executive
 - A series of 'brainstorms' for each element of the proposed structure
 - A large number of individual responses sent by individual staff or from existing teams

The outcome of this consultation has been fed back to the consultant and has been instrumental in identifying a series of proposed modifications and improvements to the consultative structure.

- 1.3 The report of the consultant is attached and he will attend the Overview & Scrutiny Organisational Assessment Best Value Sub Committee to present his detailed proposals.
2. The Sub Committee is further advised that the proposals contained within the report have been costed in comparison with the existing structural arrangements in place within the authority and are broadly cost neutral in revenue terms but there will be one off costs for implementation which would normally be funded from reserves and will be fully assessed at the next stage of the project.
- 2.1 In producing costings it has been assumed that median market salaries will apply and surplus posts will be dealt with by way of negotiated TUPE under the Housing Stock Transfer process with the deletion of one vacant post and associated duties in the Communications Unit. Further cost adjustments will be necessary in future years to rationalise and optimise officer management arrangements in respect of client functions and administration.

2.3 Subject to the views of the Sub Committee, Executive and Council, the contents of the report will be used as the basis for further consultation and the preparation of detailed proposals, job descriptions and person specifications to be considered in the next stage. Members will note in particular that the consultant is seeking advice/decisions in respect of the following:

- That the revised proposals set out within this report and detailed in Chart 6 and Charts 6.1 to 6.13 (*interleaved within the attached report of HACAS Chapman Hendy*) be approved as the basis upon which further consultation will take place in accordance with the approved timetable for this work.
- That the following titles be adopted by the authority:

Role	Title
Head of the Paid Service	Chief Executive
2 nd tier strategic manager	Executive Director
Service areas	Business Units
Manager of the Business Units	Head of

- That the overall concept, purposes, functions and associated roles for the new structure and the intended way of working of the authority be approved.
- Whether the proposed Strategic and Performance Services Business Unit should report direct to the Chief Executive or through one of the proposed Executive Directors.
- That a further detailed report with costs be prepared to address the issue of Member support.
- To note that a further detailed report has already been ^{asked for.} ~~agreed~~ by Council on the issue of area based working.
- That the proposed approach for client/contractor arrangements as outlined in this report be approved.

2.4 Letters of comment have also been received on the Organisational Review from the Trades Unions and copies of these are appended together with the reply sent.

3. **Recommendation**

Members are requested to agree the attached report from HACAS Chapman Hendy as the basis for further consultation and preparation of detailed proposals within the next stage of the process and to indicate views on the issues identified in paragraph 2.3 above for decision by the Council.

Contact Officer: Peter Stybelski

Ext: 7001

CARLISLE CITY COUNCIL

CORPORATE ORGANISATIONAL

BEST VALUE REVIEW

REVISED ORGANISATIONAL PROPOSALS

FOLLOWING CONSULTATION

May 2002

- Report 5 -

1. Preamble

1.1 This is the fifth report prepared as part of the Corporate Organisation Best Value Review.

The previous four were:

- "The Scoping Report" (January 2002)
- "Proposed List of Councils for the Compare Stage" (February 2002)
- "The Compare Report" (March 2002)
- "Proposed Organisational Options" report (March 2002)

1.2 Following on from the last report, (from which an option was approved as a basis for consultation, known as Chart 5, see **Appendix A**) this report sets out more detailed proposals and why changes have been made after taking into account the feedback provided through the consultation processes. In particular it makes recommendations as to the functions and composition of the new Business Units.

2. Recommendations

2.1 That the revised proposals set out within this report and detailed in Chart 6 and Charts 6.1 to 6.13 (*interleaved within this report*) be approved as the basis upon which further consultation will take place in accordance with the approved timetable for this work.

2.2 That the following titles be adopted by the authority:

Role	Title
Head of the Paid Service	Chief Executive
2 nd tier strategic manager	Executive Director
Service areas	Business Units
Manager of the Business Units	Head of

2.3 That the overall concept, purposes, functions and associated roles for the new structure and the intended way of working of the authority be approved.

2.4 To consider whether the proposed Strategic and Performance Services Business Unit should report direct to the Chief Executive or through one of the proposed Executive Directors.

2.5 To consider how the issue of Member support should be taken forward.

2.6 To consider how the issue of area based working should be taken forward.

2.7 That the proposed approach for client/contractor arrangements as outlined in this report be approved.

3. Background

3.1 The background to this report is contained in the previous four reports as set out in the Preamble above.

4. Consultation Processes

4.1 All employees received a letter and a copy of the Management Briefing was made available which included Chart 5 and all who had access to the Council's intranet have been able to access the report which proposed Chart 5 and, in addition, are able to access a large number of associated documents.

4.2 Formal consultation processes have been in 5 parts as follows:

- a) Briefing of a special meeting of the Council's Management Conference. (This enabled the council's managers to brief their sections and teams on the proposal outlined in Chart 5).
- b) Separate "gatherings" of all the key middle and senior managers associated with each of the 12 service areas as proposed in Chart 5 together with some front line staff.
- c) "Drop-in" sessions during lunch times run by the Chief Executive and the project team.
- d) A general encouragement for employees and Members of the Council to put their views in writing to the Chief Executive and HACAS Chapman Hendy. This has elicited 68 responses from in excess of 45 different employees.
- e) Briefing sessions of the three political groups

4.3 These processes have made a significant and very meaningful contribution to the formulation of the new draft Chart 6 proposal and the key issues which have arisen are set out in the next part of this report.

4.4 During this period a consultation exercise has also been undertaken with customers to inform the process.

4.5 Alongside the primary work which has been undertaken towards the formulation of this report and Chart 6 there have been 3 other pieces of work which have further helped to define the proposed revised arrangements.

These are:

- i. A review of administrative support
- ii. A review of the Council's requirements in relation to its post LSVT housing responsibilities
- iii. A review of the Council's requirements for its in-house contracting and technical services post LSVT and Leisuretime externalisation.

4.6 The findings of these additional exercises and the necessary changes to the proposals required at this stage are incorporated in Chart 6.

5 Titles

5.1 Attached at **Appendix B** is a discussion paper which we produced to engender views on titles as part of the consultation processes. In the light of the feedback to this paper our proposals are as follows:

(i) Head of the Paid Service

We recommend the title **Chief Executive**. This is the industry standard, is readily understood both internally and externally.

(ii) 2nd tier strategic level

We recommend the title **Executive Director**. This seems to have had fairly universal acclaim and is readily understood.

(iii) 3rd tier service area managers

The feedback to our paper was that, although it was accepted that it would be conducive to have a title that was distinctive from the present set up so as to help facilitate the step-change from the present thinking and approach, the alternatives were either too cumbersome or imprecise.

We therefore recommend the title **Head of** for this level.

(iv) The service areas

The best proposal arising out of the consultation was **Business Unit** and this we therefore recommend

6 Concept and Roles

6.1 Overall Concept

6.1.1 The basic idea behind the formulation of this proposed structure is radically different to the present departmental one and to endeavour to meld current operational thinking to the new framework is to make a fundamental mistake. Indeed, if it is to be adopted there is a need to approach the implementation of the new structure with a completely fresh outlook and it is vitally important that this should be owned and accepted by Members, Senior Managers and the rest of the workforce.

6.1.2 The basic concept is to create the capacity at the most senior managerial level to formulate, promote and enable the implementation of corporate strategies which have been approved by the Council. It is founded upon the requirement that there should be maximum delegation of responsibility for operational management to the managers of the Business units who should be left to get on with the day to day service.

6.2 Roles

6.2.1 The proposed roles of the senior managers set out here will assist with the understanding of this concept:

(i) The Chief Executive's role

In addition to the established roles of this position and the duties of the Head of the Paid Service it is proposed that the post holder should be responsible for:

- Developing an open and supportive relationship between the Executive, Overview & Scrutiny and the regulatory committees and other elected Members and the paid service.
- Creating real partnerships at the centre of the authority and with other agencies and organisations which will ensure the City Vision and Corporate Plan are made a reality.
- Providing a clear sense of direction, optimism and purpose.
- Marshalling the resources of the whole organisation to this end.

(ii) The role of the Executive Directors

- To assist the Chief Executive by providing corporate leadership, by managing the member – workforce interface and by leading on external relations.
- To develop corporate strategies and to formulate plans for their implementation.
- To develop a corporate approach to policy implementation and performance management and a single authority-wide corporate culture
- To lead on a major cross-authority projects and those which have significant corporate implications.
- To inform and support Members.

(iii) The role of the Heads of Service

- To provide strategic direction and day-to-day management of the Council's services.
- To pursue excellence in quality and performance within the services managed.
- To act as the Authority's professional adviser for those services.
- To be operationally responsible and accountable for the performance of the services managed.
- To act in a collaborative way to assist in the successful achievement of corporate endeavour.
- To inform and support Members.

(iv) The Council's Statutory Officers

The Council is required by statute to designate particular posts as holding the statutory responsibilities required. There are three of these which must be held by separate post holders.

Our recommendation for these is as follows:

Head of the Paid Service	:	The Chief Executive
The Monitoring Officer	:	The Head of Legal & Democratic Services
The Section 151 Officer	:	Head of Finance

It was suggested during the consultation that the two posts indicated would have more clout were each of the proposed Executive Directors to also undertake one of those functions. We consider this to be inadvisable as:

- a) it effectively limits those appointments to being – one a lawyer and the other an accountant; and
- b) the two designated post holders have through their statutory office all the necessary access and influence to undertake these functions.

7. Area Based Working

7.1 In report 4 an option was put forward for consideration which was founded upon a comprehensive decentralisation of services (Chart 2). We recommend that this option be discounted as it has significant disadvantages which are:

- it is potentially very costly
- it could work against the integration of rural and urban services
- it would be very disruptive to implement
- the Carlisle geography does not lend itself to such an approach
- it would only suit certain services

7.2 Although this view was accepted, the Council still needs to tackle the issue of area based working and we suggest that this will need to be addressed on two levels:

- a) local area decision making; and
- b) local area focused action

7.3 The first of these is an outstanding issue from the introduction of the Council's new constitution last year. The second will be a priority for the new proposed Economic and Community Development Business Unit to develop a strategy in the light of the Best Value Review currently being undertaken upon Regeneration.

8. The Client Contractor Split

8.1 With the removal of CCT there is no longer a requirement for a hard client/contractor split which is cumbersome, costly and also confusing to customers.

8.2 Set out at **Appendix C** is a discussion paper we produced as part of the consultation process which puts forward a different way of working. As the paper illustrates, such an approach is already operating in the City Council with the administration of the Waste Management services.

8.3 In structural terms the new proposed organisation has been designed to accommodate this approach. This means that the proposed Commercial and Technical Services Business Unit will undertake the work as an **integrated service provider** with the strategic client responsibilities being undertaken as follows:

- Street scene management (apart from parks and open spaces) – Environmental Protection
- Waste management – Environmental Protection
- Parks and open spaces – Culture Leisure and Sport Services
- Civic and corporate buildings – Property Services

8.4 The strategic client role entails the formulation, development and procurement of the services to deliver the Councils strategies in these areas

9. The Proposed New Structures

9.1 Chart 6 (overleaf) sets out the proposed framework and principal functions which have been formulated following upon the consultations as outlined in Section 4 above.

It should be noted that the basic framework of the proposal as set out in Chart 5 and approved for consultation has been generally welcomed and that the various views which have been expressed have been more focused on what each of the service areas (Business Units) should contain.

9.2 One issue which was raised through the consultation from a number of quarters was whether there should be more Executive Directors. The foundation for this concern could be based upon a misunderstanding of the concept, function and role of these new positions (see 6 above) which may be outside the City Council's previous experience. Our primary reasons for recommending two such positions within Chart 5 remain valid – these are:

- a) workload;
- b) the balance of senior management needed by the Authority; and
- c) affordability

9.3 It should be borne in mind that if the LSVT were not to go ahead then the Council would need to re-examine this issue with a view to the possibility of increasing the amount of senior management.

9.4 The other significant changes from Chart 5 to Chart 6 (other than the detailed functions of the Business Units which are described below) are:

- i. The creation of an additional Business Unit (*Revenues and Benefits*);
- ii. The identification of a specific Business Unit which will lead the comprehensive approach of change in the culture and way of working for the whole authority through Organisational Development (*Member and Employee Services*);
- iii. The clarification of the coordinational groupings to include one for the strategic levels within the authority

10. Business Unit Purposes, Functions and Outline Charts

The next part of this report illustrates the purpose plus the functions of each proposed Business Unit and sets out the principle issues raised during the consultation and how changes have been made in consequence. The outline structure charts of each Business Unit are also provided. The next report on this review (Report 6) will include full details of the staffing of the Business Units.

Draft Proposal
May 2002

Carlisle City Council

Corporate Organisational Review 2002
(proposed structure option
showing business unit functions)

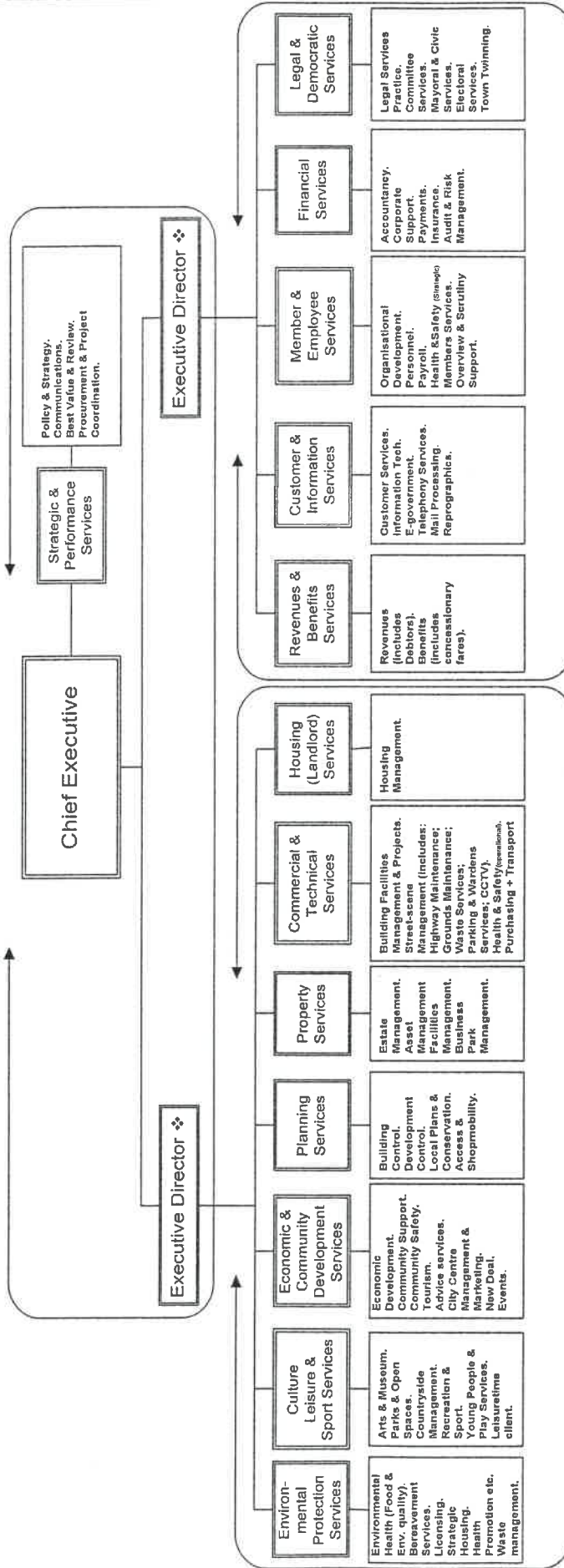


Chart 6



❖ - these titles are illustrative

Business Unit:	1. Environmental Protection Services – <i>Chart 6.1(overleaf)</i>
Purpose	To enable a comprehensive approach to environmental protection issues, particularly those concerning health, licensing, housing, food, pollution, workplace health and safety and bereavement.
Functions	<ul style="list-style-type: none"> • Environmental Health including: <ul style="list-style-type: none"> ➤ Food standards ➤ Environmental Quality including pollution prevention ➤ Health and safety inspections of commercial premises ➤ Waste management • Bereavement Services • Licensing • Strategic and other Housing including: <ul style="list-style-type: none"> ➤ Housing strategies and HIP submission ➤ Homelessness (prevention and administration) ➤ Temporary accommodation for homeless persons ➤ Housing renewal services ➤ Monitoring the delivery of the Council's promises to tenants to be undertaken by Carlisle Housing Association (necessary should LSVT take place) • Health Promotion and Partnerships
Principal issues raised during consultation	<ul style="list-style-type: none"> i. Location of housing services. In chart 5 these were shown in 3 places. The revised proposal now has all of the Council's strategic and residual housing services within this business unit to satisfy Government requirements. Housing (Landlord) Services remain a separate Business Unit. ii. The development of the Council's housing strategy. This is the subject of a separate Best Value review but the need to ensure that the Council is able to fulfil its strategic role in the future is recognised. Furthermore despite there no longer being a legal requirement to maintain a housing waiting list, the requirement upon district councils regarding homelessness have become greater and it is essential therefore to ensure that this function is properly resourced. iii. Licencing. Under the current Council structure these functions are located in 3 different places with about 20 types of licence being administered in Environmental Services and a similar number being administered in the Town Clerk's Department. This proposal will create an integrated service but steps will need to be taken to be certain that there is the necessary separation within the Business Unit and review mechanisms are in place to ensure that the due process is fair which may include independent appeal processes.

Environmental Protection Services

Draft proposal
May 2002

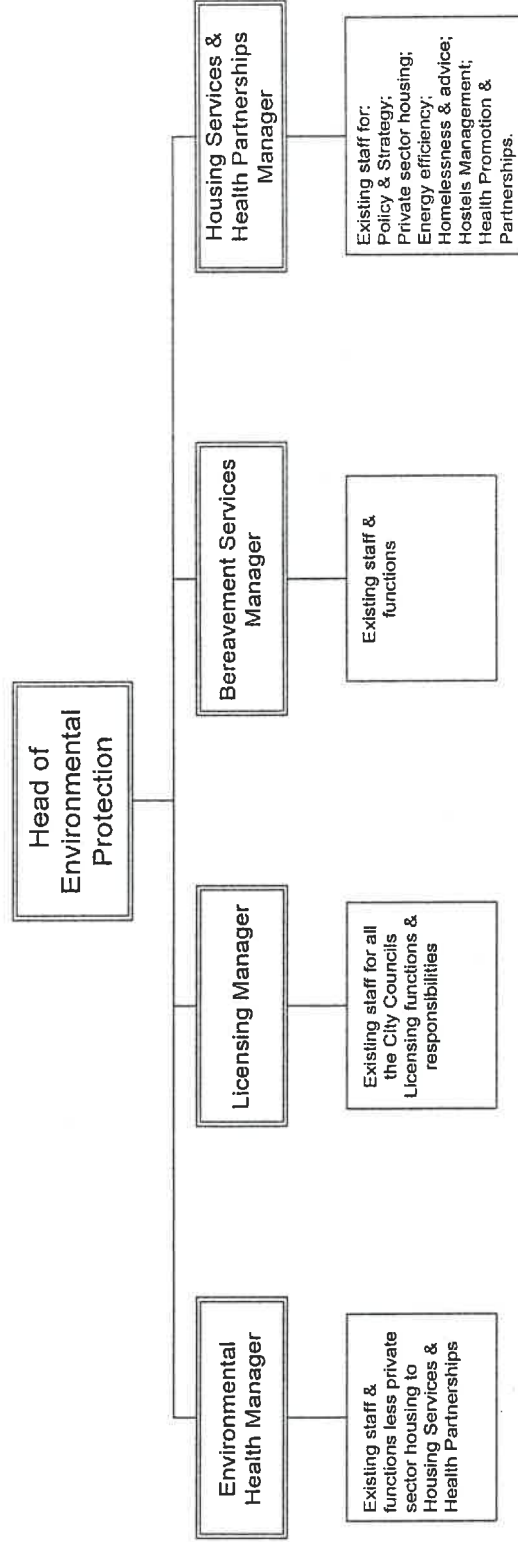


Chart 6.1

Purpose

To act as the focus of the Council's cultural, leisure and sport services both in relation to direct provision and those obtainable through contract and partnership.

Functions

- Arts and Museums including:
 - Tullie House and Guildhall
 - Development and promotion of cultural activity
- Countryside management through the East Cumbria Countryside Project
- Sports management and development
- Parks and open spaces management
- Leisure and recreation facilities provision and management including:
 - Contract supervision if externalization of Leisure time takes place
- Young people and play services

Principal issues raised during consultation

- i. Location of play. The issue here was whether or not the primary role was to be a part of community development or to form a part of an integrated recreation service. Whilst it is recognized that play forms a useful tool in community development activity so do many other aspects of Council and other agencies activities. It is considered that play and other activities for young people have a strong professional and functional association with sport, leisure and recreation and therefore should be located within this Business Unit.
- ii. Countryside management. This is currently jointly provided between the Countryside Unit and the work done on the East Cumbria Countryside Partnership (east of the M6) with funding from various partners. Whilst this division is not an issue in relation to which Business Unit this work is undertaken, it may be an issue to be addressed after the primary reorganization has been implemented
- iii. Events – see Economic and Community Development Services
- iv. Tourism – see Economic and Community Development Services

Culture, Leisure & Sport Services

Carlisle City Council
Corporate Organisational
Review - 2002

Draft Proposal
May 2002

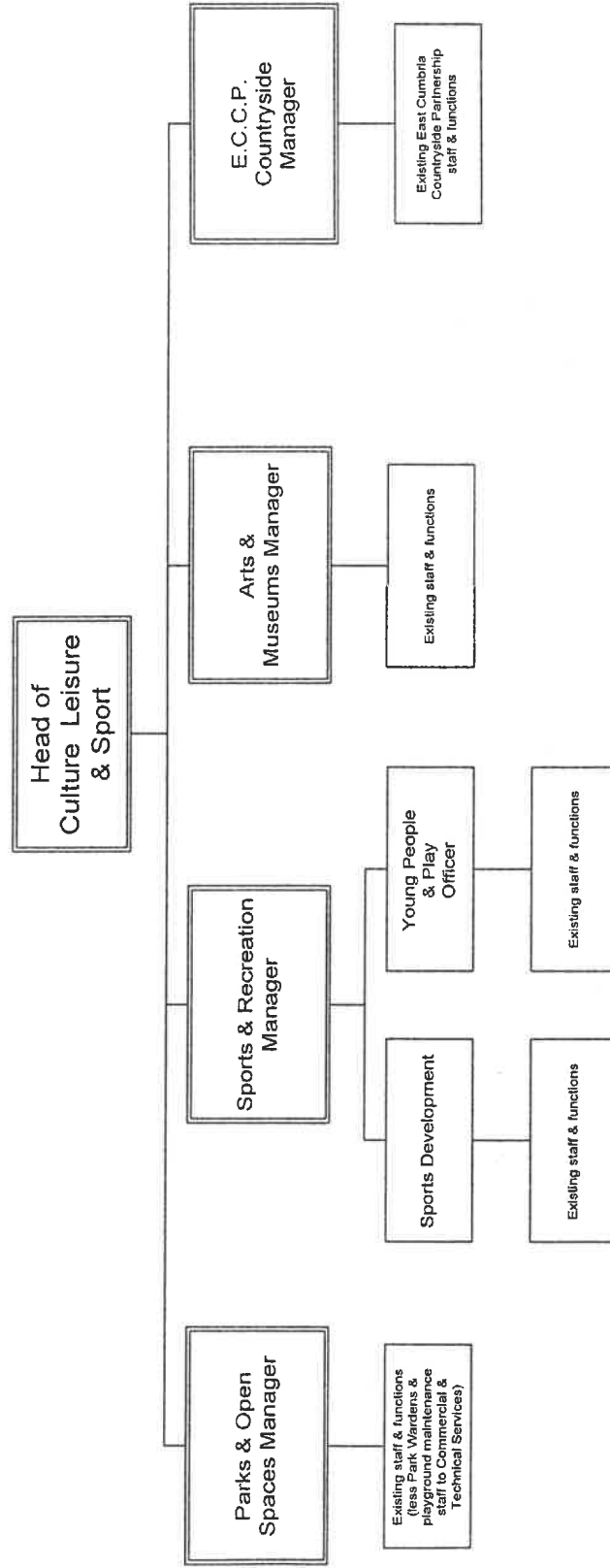


Chart 6.2

Purpose	To be the key driving and coordinational locus of economic activity aimed at ensuring that the Council's own resources and those obtainable through partnership are brought towards seeking to achieve sustainable communities within a strong local and sustainable economy.
Functions	<ul style="list-style-type: none">• Being the primary engine for the creation of a strong economy• Economic development• Business support• Inward investment and business enquiries• Coordination of external funding• City Centre management and marketing• Tourism development and promotion• Events promotion and management• Community support including:<ul style="list-style-type: none">➢ Community development➢ Community centres and other facilities• Community Safety• New Deal• Advice Agencies
Principal issues raised during consultation	<ol style="list-style-type: none">i. Regeneration – suitability of title. Whilst there are regeneration needs within Carlisle in respect of certain defined areas the view was that the emphasis needs to be on the development of sustainable communities and the economy.ii. Tourism – this has been subject to relocation in the past. There are different views of where it is best located but after taking account of the consultation there was seen to be no significant benefit in removing this from Economic Development.iii. Events – strong representations were made that this was an under developed function and that there was a need to maintain a close relationship with Community Development. On balance it was felt that this function would benefit more in operational terms by being linked with tourism and the marketing of Carlisle and therefore it should remain placed within this business unit but that it should play a wider role in formulating and developing an events strategy and programme which was based upon the City Councils range of services and its role within the context of the City Vision.iv. Community Development – historically this has been located with the Council's leisure and recreation functions. The reason for proposing the move to work alongside Economic Development is based upon current thinking that the regeneration and creation of sustainable communities requires much more than economic activity. This proposition therefore recognises the role which Community Development is able to perform in seeking to ensure that communities are able to become self-reliant as part of a holistic approach.v. New Deal – it is proposed that this Business Unit should have the lead role in relation to this important area of activity.

Economic & Community Development Services

Draft Proposal
May 2002

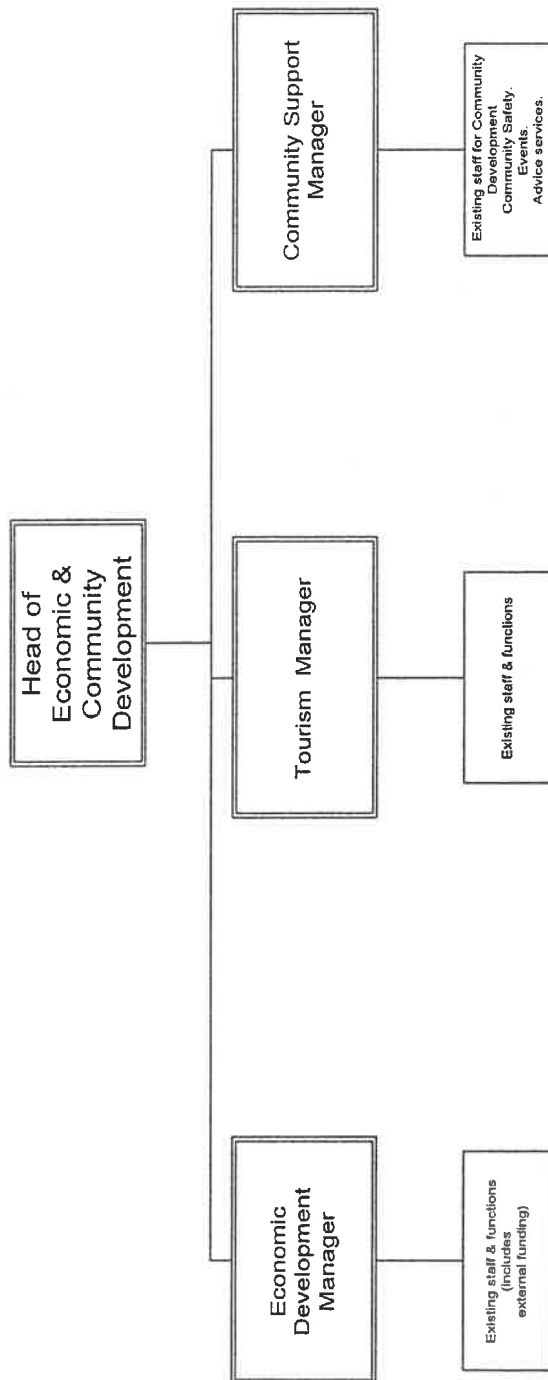


Chart 6.3

Business Unit:	4. Planning Services – Chart 6.4 (overleaf)
Purpose	To undertake the Council's statutory and allied town and country planning responsibilities and activities.
Functions	<ul style="list-style-type: none"> • Local Plan including: <ul style="list-style-type: none"> ➤ Conservation • Development Control including: <ul style="list-style-type: none"> ➤ Shopmobility ➤ Access • Building Control
Principal Issues raised during consultation	This area was subject to considerable discussion prior to the formulation of the last report and there are therefore no proposals to change from the current arrangements

Planning Services

Draft Proposal
May 2002

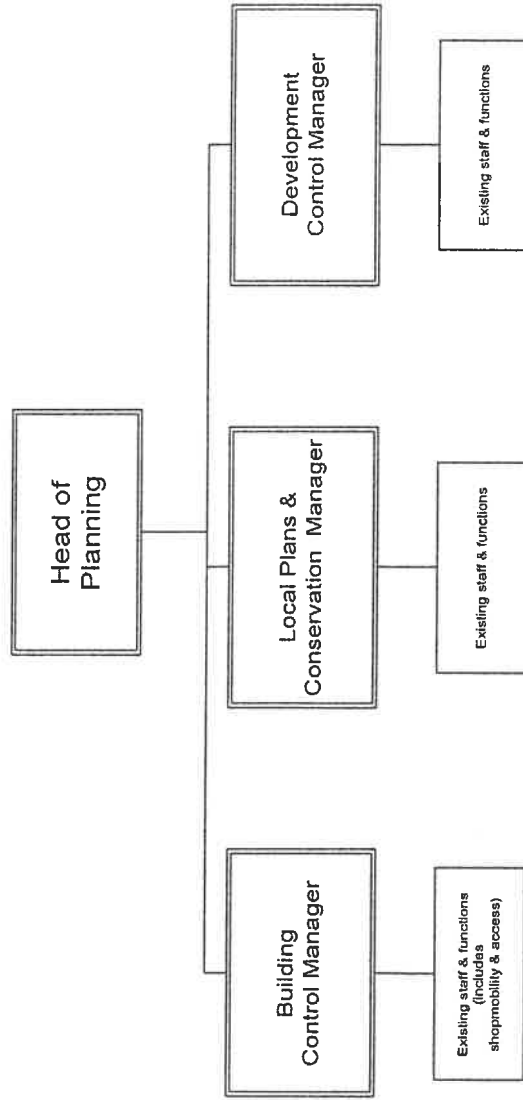


Chart 6.4

Business Unit:	5. Property Services – Chart 6.5 (overleaf)
Purpose	To provide strategic advice about the Council's property role and to undertake the estate and asset management of the Council's corporate property holdings and to be responsible for the facilities management of civic buildings.
Functions	<ul style="list-style-type: none"> • Strategic property advice – advice about how land and property assets can assist in implementing the Council's corporate objectives • Asset management – the development of Council owned land and property through monitoring costs and raising capital through disposals in order to fund new capital works including acquisitions and reinvestment. • Estate management – property negotiations including valuations for rent reviews, rating assessments, lettings and lease assignments along with making sure commercial tenants are paying their rent on time • Buildings facility management – ensuring that all of the Council's land and property assets are surveyed, monitored and well maintained in an efficient and effective way, in order to optimize the delivery of Council services in a clean, pleasant and secure environment. • Management of business units and estates • In conjunction with Economic and Community Development to handle frontline business and development enquiries
Principal issues raised during consultation	<ul style="list-style-type: none"> i. This area has already been the subject of a recent Best Value Review Inspection and report to the Council regarding its role, functions and structure. ii. The main issue is the relationship to the maintenance, facilities and services of the Council's Civic Buildings. In the light of the examination of the work currently undertaken by Design Services and the future of Carlisle Works (<i>see Appendix C</i>) it has been agreed to propose that the strategic management of this work would be the responsibility of the Property Services Business Unit but the operational functions would be carried out with the proposed new Commercial and Technical Services Business Unit. iii. The other main issue related to which coordinational grouping this function should be in, in relation to other business units. Our view is that the role of property is vital to the future development and sustainability of the City's economy and should therefore be placed in close proximity to those functions which also have a significant part to play in this regard e.g. Planning and Economic Community Development

Property Services

Carlisle City Council
Corporate Organisational
Review - 2002

Draft Proposal
May 2002

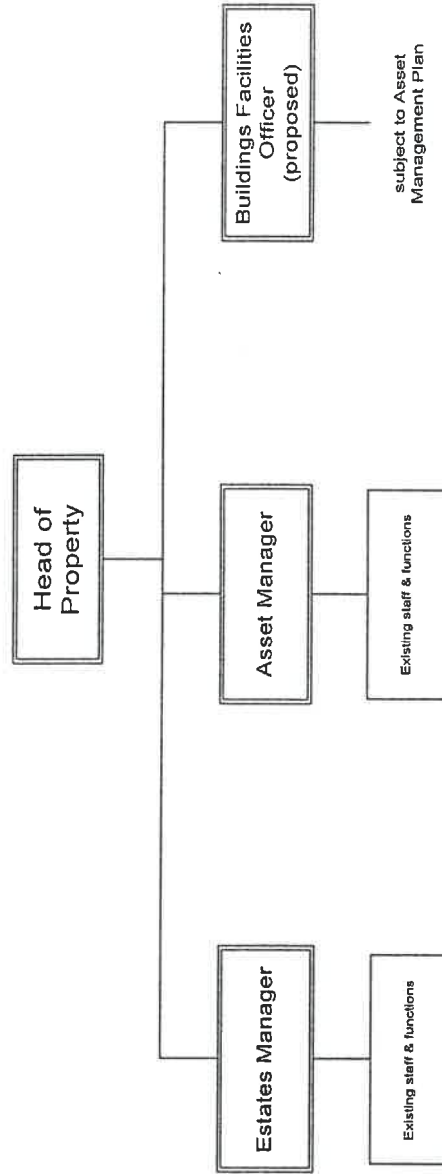
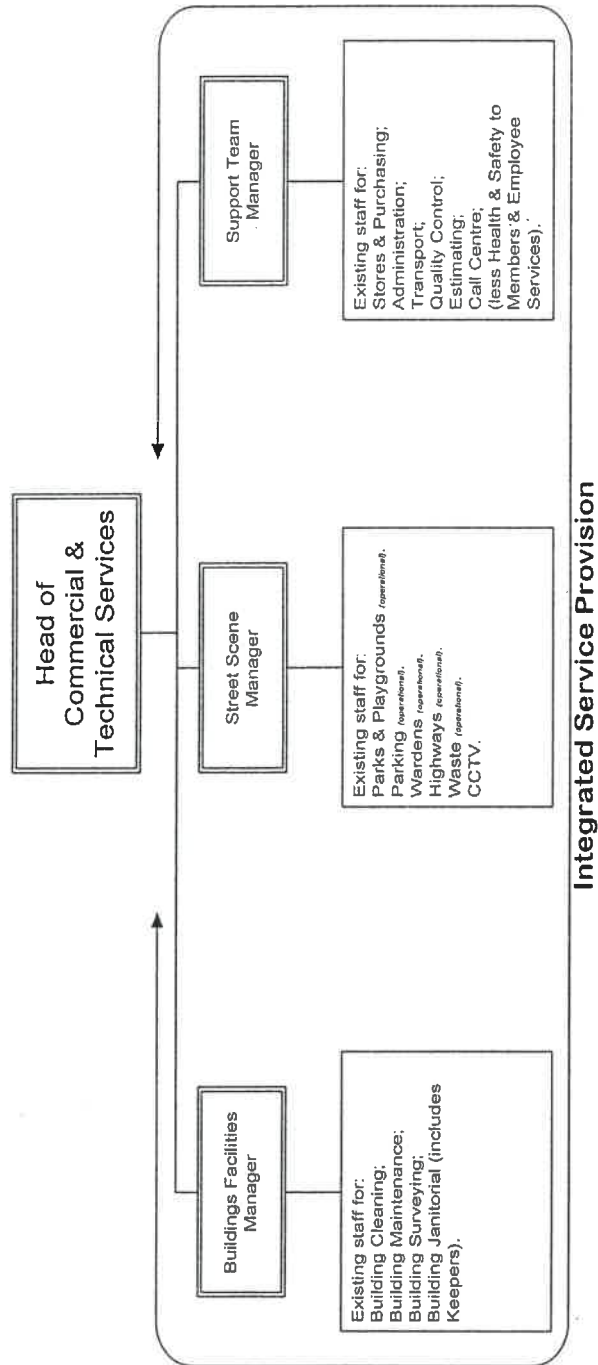


Chart 6.5

Business Unit:	6. Commercial & Technical Services – Chart 6.6 (overleaf)
Purpose	To undertake the integrated service provision of the Council's commercial and technical services and to provide professional technical advice to the Authority. These services relate to a range of street scene and building facility activities undertaken by the Authority and the relevant support functions
Functions	<ul style="list-style-type: none"> • Provision of integrated commercial and technical services • Direct services currently include <ul style="list-style-type: none"> ➤ Waste services (street cleaning and refuse collections) ➤ Grounds & parks maintenance ➤ Highways maintenance ➤ Parking & wardens ➤ Building cleaning ➤ Building maintenance ➤ Building projects ➤ CCTV • Professional technical consultancy services • Technical audit and purchasing for direct services
Principal issues raised during consultation	<ul style="list-style-type: none"> i. The current DSO (Carlisle Works) – will considerably reduce if the Leisuretime and LSVT proposals are carried through. Furthermore there is a need in the light of the end of CCT and the introduction of best value to remove costly processes which were brought in to produce a “hard” client / contractor split. In addition the Design Services within the Environment and Development Department in the current structure are subject to reduction due to LSVT, the United Utilities contract being withdrawn and the general reduction in Council investment programmes amongst other things. ii. Consultants Ridge were engaged to examine these areas out of which has come a proposal which involves the creation of the concept of the integrated service provider. This will provide, apart from the strategic client role, a combined comprehensive service provision which incorporates the supervision and monitoring of the delivery of service standards as well as the actual services themselves iii. The proposed new Business Unit will contain 3 primary elements: Street-scene management (this includes waste collection, grounds maintenance, parking, wardens, highway maintenance and CCTV); Buildings Facilities Management (this includes building maintenance, building cleaning, building surveying and building janitorial; and Support Services (these include stores & purchasing, transport, administration, estimating, quality control and the call centre). (see Chart 6.6 overleaf) iv. The call centre will be subject to review as part of the creation of a new primary inter-face for customer contact to be developed as part of the introduction of the proposed new Customer Services Business Unit.

Commercial & Technical Services

Draft Proposal
May 2002



Integrated Service Provision

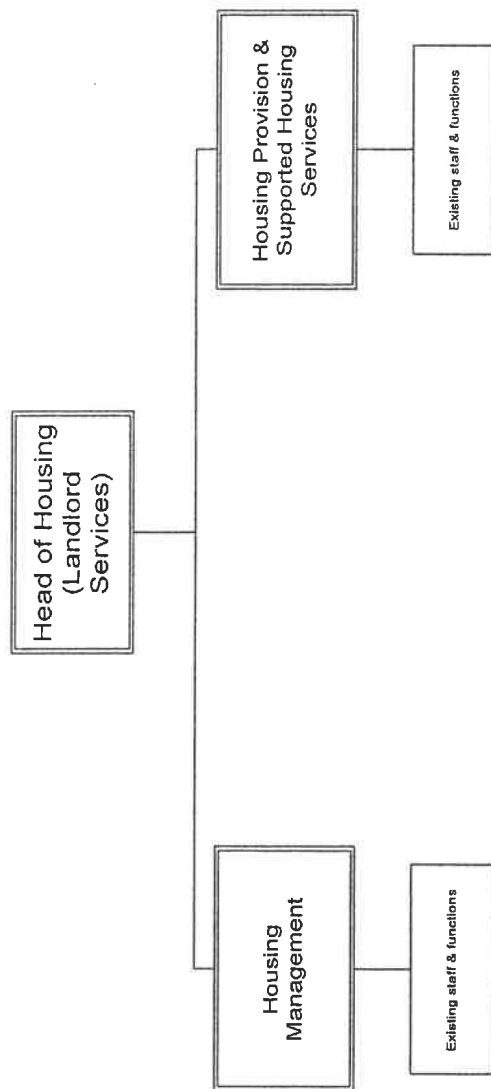
Chart 6.6

Business Unit:	7. Housing (Landlord) Services – Chart 6 7(overleaf)
Purpose	To manage the Council's housing stock and associated functions.
Functions	<ul style="list-style-type: none"> • The provision of integrated housing management services for the City Council's housing tenants and stock including responsibility for: <ul style="list-style-type: none"> ➤ Rent setting, collection and arrears control ➤ Repairs and improvements ➤ Voids and allocations ➤ Waiting list administration ➤ Elderly services ➤ Tenancy management ➤ Tenant participation
Principal issues raised during consultation	<ol style="list-style-type: none"> i. All of the functions within this business unit relate to the proper management of the Council's housing stock and its role as a landlord. They are the subject of the proposed LSVT and providing the tenant ballot is in favour of the Council's offer then these functions will transfer to the new Carlisle Housing Association. ii. Regardless of that issue there is a need for one point within the authority to be responsible for the formulation of housing strategy and it is recognised that, with the advent of LSVT and the benefit seen by the Government of separating out the strategic and the provider roles, that this should therefore be the remit of the proposed Environmental Protection Business Unit within the new structure.

Housing (Landlord Services)

Carlisle City Council
Corporate Organisational
Review - 2002

Draft Proposal
May 2002



*Note: all posts subject to transfer to
Carlisle Housing Association
dependant upon positive tenant ballot*

Chart 6.7

Business Unit:	8. Strategic & Performance Services – Chart 6.8 (overleaf)
Purpose	To provide corporate and strategic support for the whole Council
Functions	<ul style="list-style-type: none"> • Provision of effective strategic support to the Executive, other members and senior management • Outcome and customer focused corporate policy and strategy formulation • Partnership development • Coordination of submissions to Government and other agencies and the preparation of those which have corporate implications • Research and consultation to inform council policy-making and performance issues • Internal and external communications to ensure <ul style="list-style-type: none"> ➢ a well informed workforce who are engaged and can contribute to the organization with a corporate outlook ➢ a well informed citizenry, partners and other stakeholders so that they gain timely and appropriate information about the Council and its services • The coordination of best value and other performance reviews • Formulation of the Best Value Performance Plan • Advice on, collate and monitor performance indicators and targets • Actively support the organisation in improving its approach to performance management • The development and implementation of the Council's procurement strategy • The coordination of major projects • The development of project management standards
Principal issues raised during consultation	<p>i. Range of services. This area of activity is intended to be at the forefront of strategic development, driving improvement whilst ensuring that there are excellent communications both internally and externally regarding City Vision, corporate policy, and service delivery. Within the Chart 5 proposals it was put forward that this unit would include a number of other functions such as members services, Overview and Scrutiny support, internal audit and risk management. These are not seen to be necessarily within the same context and whilst in themselves very important, and in some cases, obligatory functions it is considered that they would be better delivered elsewhere. (see further on in this report)</p> <p>ii. Coordinational Grouping. Consideration has been given as to whether this unit would be more appropriately located with the central corporate services grouping e.g. legal, finance etc. However it is clear that it forms an essential element of the authority's new focus on strategic development and should be within the grouping containing the Chief Executive and the two new posts of Executive Director. Other reasons are: the need for an independent, unbiased and objective view of the Authority; that the knowledge and expertise within the unit needs to be seen as all.</p>

Strategic & Performance Services

Draft Proposal
May 2002

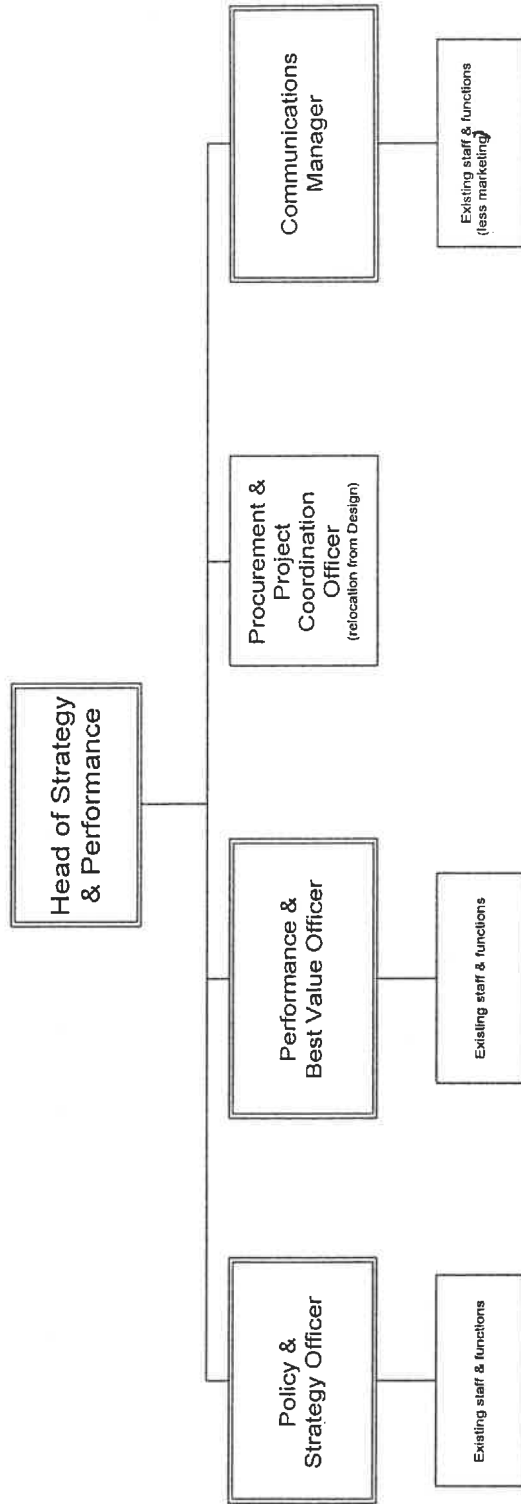


Chart 6.8

Business Unit:	9. Revenues & Benefits – <i>Chart 6 9 (overleaf)</i>
Purpose	To administer the Council's revenue collection and benefits services to persons' according to their full entitlements.
Functions	<ul style="list-style-type: none"> • The administration of: <ul style="list-style-type: none"> ➤ Council Tax Billing, Collection and Recovery ➤ National Non – Domestic Rates Billing, Collection and Recovery ➤ Civic Centre cashier services ➤ Housing and Council Tax Benefits Assessment ➤ Concessionary Fares • The formulation of: <ul style="list-style-type: none"> ➤ Measures to prevent detect and deter benefit fraud ➤ Initiatives aimed at achieving the highest level of claimant entitlement and awareness
Principal issues raised during consultation	<p>i. Location.</p> <p>Under Chart 5 it was proposed that the work would be an arm of a new Financial Services Business Unit. As part of the consultation this service area has been put within its own Business Unit as:</p> <ul style="list-style-type: none"> a) the need for the head of this service to be able to influence discussions on resource requirements, customer handling and information processing within the new structure; b) the high profile of this work in relation to customers, anti-poverty and income collection; c) the specialist nature of the work and its increasing complexity <p>ii. Customer interface staff will transfer to the proposed new Customer Services Business Unit.</p>

Revenues & Benefits Services

Draft Proposal
May 2002

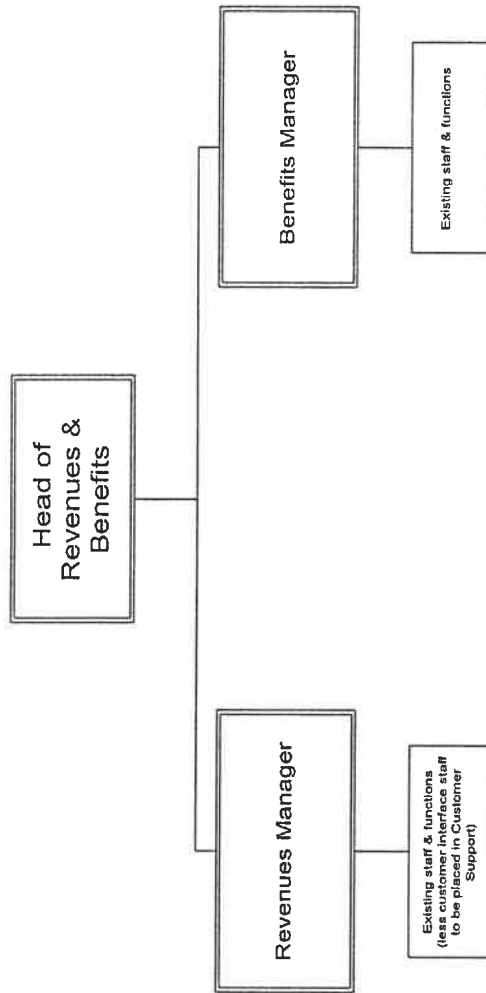


Chart 6.9

Business Unit:	10. Customer Services – Chart 6.10 (overleaf)
Purpose	To provide services which support and enhance the City Council's customer services to the public including the operation of the Council's primary points of contact for both internal and external customers. This encompasses both the electronic and conventional contact processes and involves championing high standards of information handling and customer communication.
Functions	<ul style="list-style-type: none"> • Formulation and implementation of the customer services strategy • Development of the Council's e-government strategy and to overview and coordinate its implementation • Provision of primary customer services for: <ul style="list-style-type: none"> ➢ Citizens ➢ Customers of council services ➢ Employees ➢ Members of the Council • Customer relations management • Reprographics • Develop and coordinate corporate office system and administrative procedures • Develop and maintain information management strategies within the Council • Undertake business process re-engineering of Council Services as required • Operation of the Council's telephony services • Undertaking of the processing of mail and courier services
Principal issues raised during consultation	<ol style="list-style-type: none"> i. Chart 5 envisaged a structure whereby there would be a new and much higher profile given to the needs and service to customers than that which currently prevails. Overall this initiative has been universally welcomed and the consultation feedback has been largely upon the elements to be contained in the proposed Business Unit. The original proposal did recognise the need for improved access to information through placing the responsibility for e-government within this unit. This led during the consultation to the view that for customers' access to information was paramount. As it is the lead on e-government and recognising the focus it provides to internal customers the revised proposal within Chart 6 now includes the whole of the Council's information technology which will be central to the formation of this new approach to customer working in the City Council. ii. Civic Centre Management has been viewed as an integral part of Civic building facilities management which will be delivered operationally by Commercial and Technical Services and strategically by Property Services.

Customer & Information Support Services

Draft Proposal
May 2002

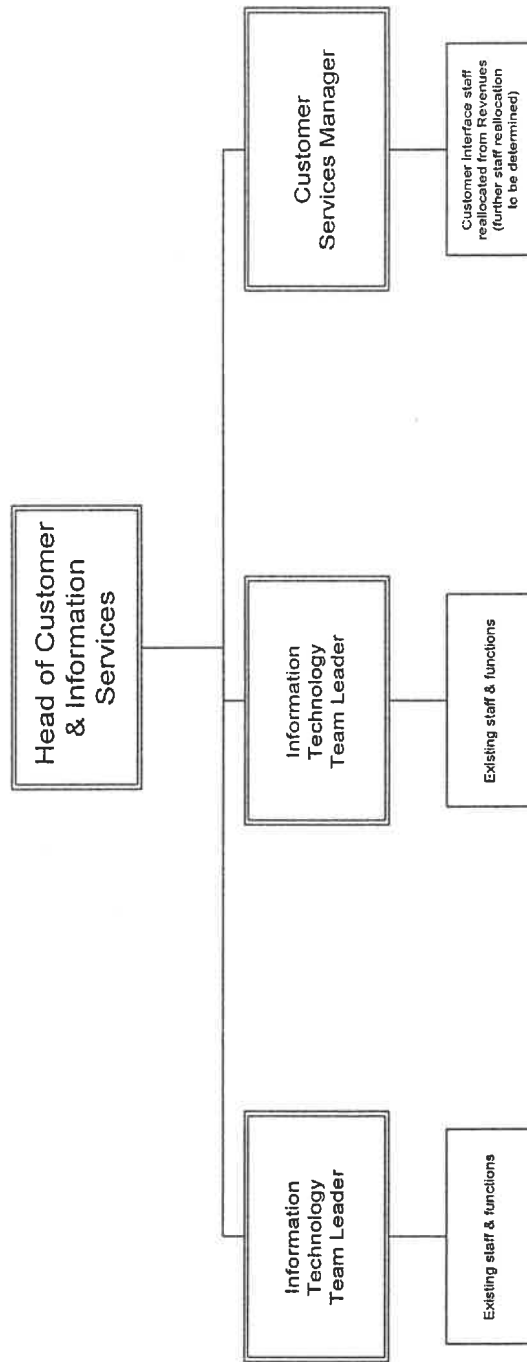


Chart 6.10

Business Unit:	11. Member & Employee Services – Chart 6.11(overleaf)
Purpose	To provide organisational development and human resource services to employees and members of the Council.
Functions	<ul style="list-style-type: none"> • Formulation of the Council's Organizational Development strategy and the coordination and overseeing of its implementation • Provision of personnel management services • Formulation and implementation of employee and management development • Operation of payroll services • Provision of Member support services to ensure that the needs of Members, particularly in relation to their representational roles are fully realised. • Provision of support and advice to the Council's Overview and Scrutiny Committees (<i>manager of this function to have a direct link to the Chief Executive</i>) • Provision of support and advice to the Council's Executive • Provision of corporate health & safety services (<i>manager of this function to have a direct link to the Chief Executive</i>)
Principal issues raised during consultation	<ul style="list-style-type: none"> i. The Chart 5 proposal entitled this unit as "Organisational Support" and envisaged a combination of the Council's IT and Personnel functions. ii. With the development of the Customer Support proposal described in the previous section and the integral part that IT will perform within that concept this provided the opportunity to freshly examine the nature of the services which could be delivered by this business unit. It was viewed that the need for the whole authority to undertake a step change as set out in the Scoping Report involved not only employees but Members as well. iii. Fundamentally the requirement to achieve a significant cultural change through the processes of organisational development must not only be owned by all but needs to involve all as well. iv. Such an approach also gives the opportunity to create a unified payroll service for the whole Council. v. Furthermore support to the Executive and separately to the Overview and Scrutiny functions should be located within this Business Unit. vi. The consultation with Members as part of this process has revealed significant concern regarding the inadequacy of Members' Services. It is therefore proposed that this be the subject of a special review in order to determine the appropriate level of service.

Member & Employee Services

Draft Proposal
May 2002

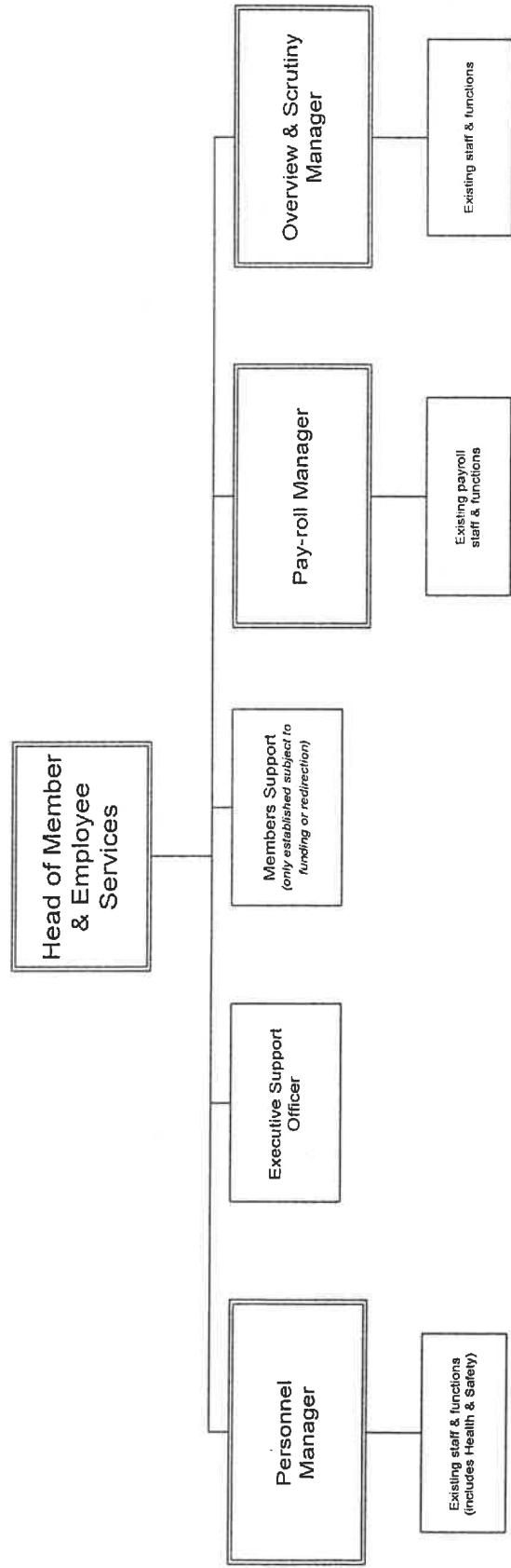


Chart 6.11

Business Unit:	12. Financial Services – <i>Chart 6 12 (overleaf)</i>
Purpose	To undertake the administration of the City Council's financial affairs and to manage associated information systems. To support service delivery by undertaking the Council's accountancy, financial advice and treasury management services as well as insurances and audit advice.
Functions	<ul style="list-style-type: none"> • The provision of the Council's <ul style="list-style-type: none"> ➢ Corporate & strategic financial advice ➢ Accountancy and Budgetary services ➢ Treasury Management services ➢ Financial performance management ➢ Insurance service ➢ Internal Audit service (<i>head of this service to have access to the Chief Executive, Monitoring Officer and Members when circumstances so require</i>) ➢ Creditor payments service ➢ Treasurership of Council administered charities ➢ Risk management • To develop and ensure compliance with good financial practice throughout the authority • The provision of financial information and advice to maximize the most efficient and effective use of the Council's financial resources • The formulation of and monitoring the implementation of corporate risk management strategies • The head of the service will be the Council's statutory Section 151 Officer • Proactive organisational financial support. • Performing a fundamental role in performance management. • Sundry Debtors – billing, collection and recovery
Principal issues raised during consultation	<ol style="list-style-type: none"> i. This proposed business unit contains the City Council's financial services. ii. It ensures that the Council's Section 151 Officer is able to concentrate his or her attention on the authority's treasury management and financial circumstances. iii. Concern was expressed through the consultation that the Council's 151 Officer should be a member of the new Corporate Management Team. This is an issue which will be dealt with in the next report. <p>The Chart 5 proposal placed Internal Audit within the proposed service area for Strategic Services. This had been advocated on the basis of the need to have direct and unfettered access by the Audit Manager to the Chief Executive. With the understanding that this facility will be available regardless it has been agreed that the Council's audit functions can remain within financial services. Part of their work will be to have ensure a high profile for work on risk management.</p>

Financial Services

Draft Proposal
May 2002

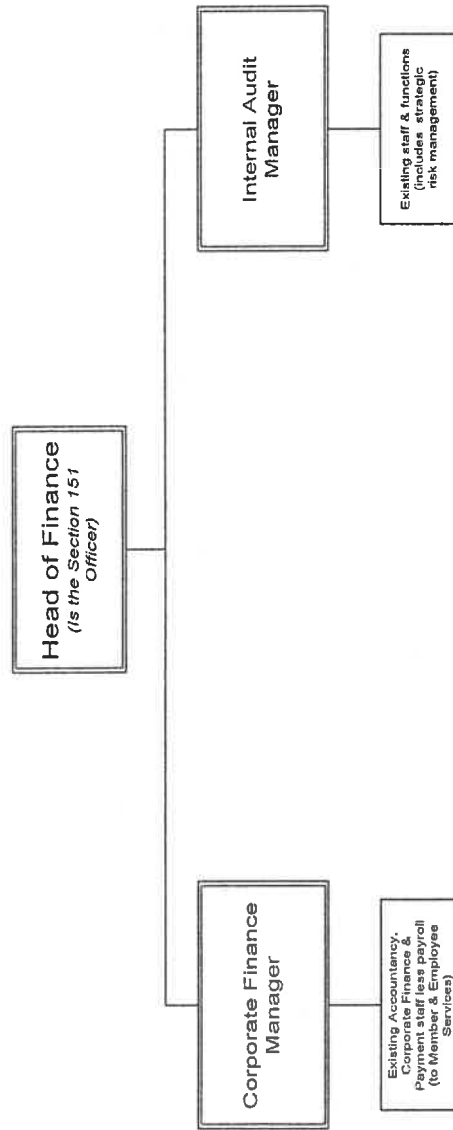


Chart 6.12

Business Unit:	13. Legal & Democratic Services – Chart 6.13 (overleaf)
Purpose	To act as the Council's in-house legal service and to undertake the provision of coordination and support in relation to the operation of the Council's democratic, corporate and decision making functions.
Functions	<ul style="list-style-type: none"> • The operation of the Council's legal services practice including: <ul style="list-style-type: none"> ➤ Provision of a comprehensive legal service to the Council, its members and officers in connection with the discharge of all the Council's functions including: <ul style="list-style-type: none"> ○ the prosecution of claims brought by the Council and the defence of claims brought against the Council in criminal and civil litigation and representation of the Council in the courts and tribunals; ○ representing the Council in statutory inquiries; ○ drafting and preparation of legal documents including contracts, statutory agreements, statutory orders and all documents in connection with provision of conveyancing services; ○ provision of general legal advice in respect of all Council functions and various compliance regimes; ○ provision of corporate and legal advice in connection with corporate governance and democratic process including executive arrangements and ethical standards; and, ○ provision of legal advice in connection with Best Value and Procurement • Operation of the land charges function • Operator of the Council's complaints procedure • Processing and facilitating the Council's response to complaints to the Local Government Ombudsman • The provision of democratic services including: <ul style="list-style-type: none"> ➤ Committee administration ➤ Electoral administration • The provision of civic services including: <ul style="list-style-type: none"> ➤ support and assistance to the mayoralty ➤ town twinning • Acting as the Monitoring officer for Parish Councils • The head of the service will be the Council's statutory Monitoring Officer
Principal issues raised during consultation	<ul style="list-style-type: none"> i. The principal issue here related to the future location of licensing and this issue has already been addressed within this report in Part 1 of this section. ii. The primary advantage of the creation of this business unit is that it will free up resources within the Council's in-house legal service to be more pro-active in relation to development, risk management and preventative legal work. iii. Similar to Financial Services concern was expressed regarding the need for the Council's statutory monitoring officer to be able to play an influential part at the Council's highest managerial levels through being a member of the new Corporate Management Team. This issue will be addressed in the next report

Legal & Democratic Services

Draft Proposal
May 2002

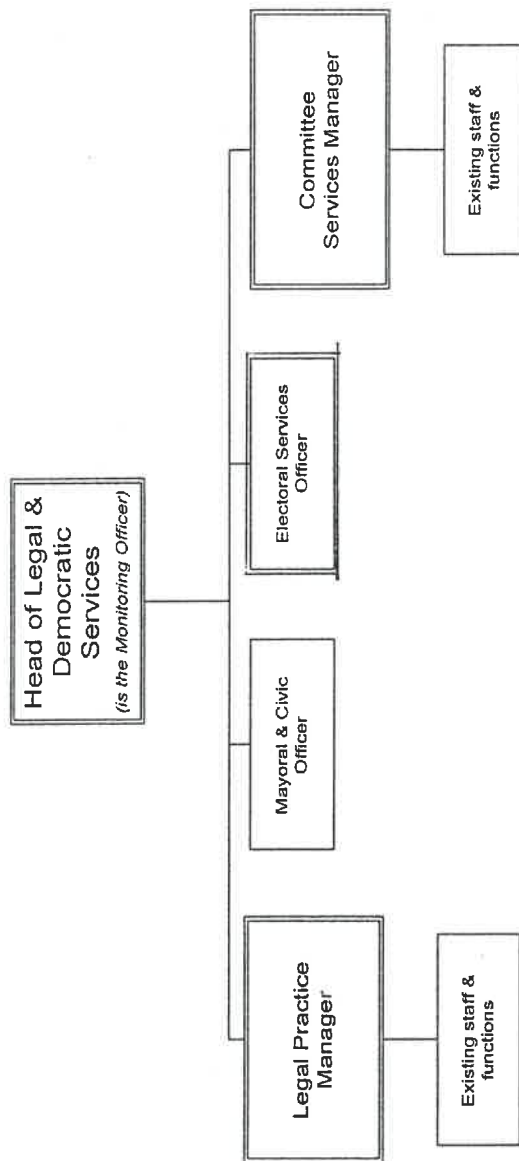


Chart 6.13

11. Financial Implications

- 11.1 It has been a fundamental aim of the Organisational Review process to ensure that the cost of the revised structure will fall within the existing annual revenue budget and to ensure that additional costs do fall on the General Fund post any housing stock transfer. It has also been an objective to minimise potential redundancies wherever possible.
- 11.2 It is important to stress that the majority of posts in the Council do not change other than through their reporting relationship. There is change, however, in the first four tiers of management and in particular in the Chief Officer and Unit Manager/Head of Service arrangements that are set out within this report.
- 11.3 To inform the cost analysis, a detailed spreadsheet has been produced setting out the existing employee budgets versus the proposed structure budgets for the tiers likely to be affected. The principles underlying this have been confirmed by the City Treasurer and the cost base is being continually monitored by project officers as the details of the revised organisational structure are being produced. Whilst the proposals are in draft form and subject to change, the cost of the top four tiers of the proposed structure is being kept within the existing budget.
- 11.4 It is important to note that in producing the cost analysis, information from HACAS Chapman Hendy is being used to advise the appropriate remuneration for senior posts commensurate to proposed roles and responsibilities. The details of this comparative exercise will be available within the next report to the Sub-Committee. The next report will also show the necessary detail relating to all employees including job descriptions and person specifications for changed posts and proposed pay scales.
- 11.5 The aim of this report is to set out and gain agreement to the service structure, post LSVT rather than how individuals may be affected. The affect at an individual level will be more effectively considered when informed by this stage now being presented.

12. Next Steps

- 12.1 This report once it has been considered by the Overview and Scrutiny Organisational Assessment Best Value Sub-Committee will go for consideration by both the Executive and a Special Council meeting. The proposals within the report will be subject to a period of consultation which will come to an end on 18th July 2002.
- 12.2 The next report (Report 6) will, after taking account of the feedback, provide detailed proposals for each of the Business Units including employee and service information plus costs.

FOR CONSIDERATION

HACAS Chapman Hendy - May 2002

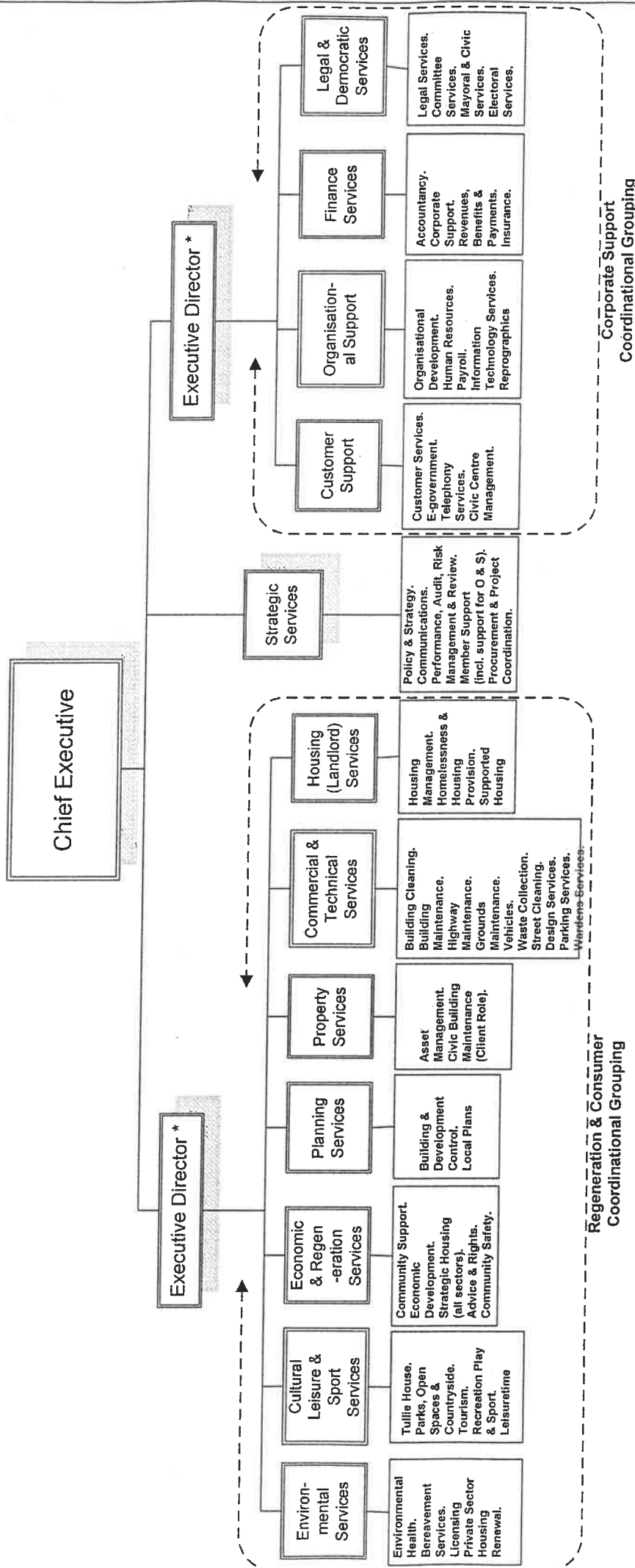
**Carlisle City Council
Revised Organisational
Proposals
Schedule Of Appendices**

NUMBER	SUBJECT
Appendix A.	Chart 5 (Outline structure proposal agreed as a basis of consultation)
Appendix B.	Discussion Paper on Titles
Appendix C.	The Client Contractor Split – a discussion paper

Draft Proposal for
Consultation
18th March 2002

Carlisle City Council

Corporate Organisational Review 2002
(proposed strategic/coordinational option)



* these titles are illustrative

**Carlisle City Council
Corporate Organisational Review
Titles of Management Positions**

FOR CONSULTATION

Preamble

As part of the process of formulating the new structure, consideration needs to be given to the titles of the four most senior tiers of management in the proposed new set-up.

These tiers are:

- The Head of the Paid Service
- The strategic management tier
- The third tier heading up the "service" blocks
- The fourth tier heading up the service units within the "service" blocks

This report sets out, as a basis for discussion, proposals for each of these. It should be borne in mind that there is a need for a degree of distinctiveness between the old structure and the new and the use of different titles helps with the reality of a clear step-change.

Also there needs to be a shared appreciation that in creating the new structure it is what is right for Carlisle that matters and that the change of structure is an opportunity to set a new tone and style which will be embodied, to a degree in the new titles.

The Head of the Paid Service

The Council is legally required to designate a person with this responsibility it is not required to give any particular name to the position.

Options

- Chief Executive** - the industry standard but its usage is confusing in the Carlisle context as the name implies to the uninitiated that the post holder leads the Council's Executive. Never the less it is in use by 95% + of all local authorities in England. High external understanding.
- Managing Director** - probably the next most common title but a long way behind Chief Executive. Would be clearly understood by the private sector but it implies more of a sense of an organisation which is run on commercial grounds.
- Chief Officer** - often used to describe 2nd tier local government managers this could cause confusion with those persons and agencies used to the term in its common usage.
- Corporate Director** - this is in use by a few Councils but is better utilized as a potential title for the next tier down.
- General Manager** - this is pretty dull stuff and would not create the right image of a modern authority keen to be at the fore front of new endeavour.

Other alternatives in current use by a small number of Councils are:

Chief Executive and Clerk
Chief Executive and Strategy Director
Head of Executive Office and Paid Service
Lead Director
Chief Executive Officer
Clerk and Chief Executive
Borough Director

On balance our advice is that it would be better to continue to use the industry standard title of Chief Executive as this creates the right image and is readily understood.

This does however leave the two matters which will need to be resolved. The first is whether the term Town Clerk should be retained as present. The following are the only Councils remaining in England that still have a Chief Executive and Town Clerk type of title.

- Brentwood (Essex)
- Chesterfield
- Christchurch
- Ellesmere Port and Neston
- Lincoln City Council
- Northampton
- Preston
- Plymouth City Council
- Southend on Sea
- Kensington and Chelsea.

Only three of these are cities and of the **compare** authorities only Preston maintains this style.

Our view is that despite that up until 1974 all urban councils had to have a Town Clerk the fact that now only 2.5% still do is indicative of how relevant the title is seen to be these days. Furthermore we find it to be incongruous for a City Council to have a Town Clerk and therefore recommend its discontinuance.

The other issue is the use of the term "The Executive" as a title of the Council's cabinet and we suggest that alternatives for the title of this body should be explored.

The Strategic Management Layer

This is the proposed new second tier management function for which it has been recommended by us (for consultation purposes) that there should be 2 positions.

These are various alternatives in use in local government which in order of popularity are:

Executive Director Strategic Director Corporate Director

Group Director
Senior Director
Assistant Chief Executive

Whilst to some extent these all have their merits we believe the first three have the right resonance and that probably the Executive Director title fits best in conjunction with the Chief Executive.

The third tier heading up the "services blocks"

It is important to illustrate the difference between this role and that currently undertaken by the Heads of Service e.g. Head of Legal Services; Head of Community Support etc.

The following are in use within local government today:

Executive Manager – Planning; Executive Manager – Finance etc
Divisional Manager – Planning; Divisional Manager – Finance etc.
City Head of Planning; City Head of Finance etc.
Planning Services Manager; Finance Services Manager etc.
Planning Programme Manager; Finance Programme Manager etc
Chief Planning Officer; Chief Finance Officer etc.
General Manager – Planning; General Manager – Finance etc.

All of these have the merit of being clearly different to current titles and, apart from Executive Manager, are distinctly dissimilar to the strategic tier above.

On balance we prefer "City Head of" as being reasonably distinguishing and new which should help illustrate, in part, the step-change the authority is undergoing.

The fourth tier heading up the units within the "service blocks"

There are a number of different titles in use within local authorities of which the following could be utilized in the Carlisle situation:

- Policy and Strategy Team Leader / Revenues Team Leader etc.
- Head of Policy and Strategy Unit / Head of Revenues Unit etc.
- Principal Policy And Strategy Officer / Principal Revenues Officer etc.
- Policy and Strategy Manager / Revenues Manager etc.
- Policy and Strategy Services Manager / Revenue Services Manager.

Once again all of these have some merit but in order to maintain the consistency of this being seen to be a clear change from the present approach we recommend either the "____Manager" style or the "____Services Manager" style.

FOR CONSIDERATION

HACAS Chapman Hendy

Purpose of report

To examine the issue of the client/contractor split and to clarify how a new approach will interrelate with a number of other key issues including the future purpose of Carlisle Works.

Background

A number of meetings of the managers from both the DSO and those holding client functions have been held together with the Chief Executive and HACAS Chapman Hendy with the intention of establishing an organisational and operational basis for the City Council's in-house contracting arm so that it will be able to provide a continuing valuable and valued element of the Council's overall operation within the context of a new approach to the *client/contractor* split.

Running parallel with this are a number of other pieces of work which will impact to a greater or lesser degree on the issues dealt with herein. These tasks are:

- Organisational Review of the Carlisle Works and the Design Team (both currently located within the Environment and Development Department) being undertaken by Ridge Consultants;
- The Corporate Organisational Best Value Review being undertaken by HACAS Chapman Hendy;
- The Audit Commission Best Value Inspectorate's inspection of Waste Management.

The issues under consideration in this report which have been the subject of critical evaluation include:

- Purpose of the in-house contractor
- Procurement
- Client contractor split
- Meeting high performance
- Profitability / surpluses
- Partnering (ie contractor and clients—sometimes known as the “Egan Principles”)
- Integrated service requirements

Each of these is now considered below:

The purpose of an in-house contractor

Set out in **Annex 1** are the proposed purposes of having an in-house contractor which it is proposed are formally put to the Council's Executive for adoption by the authority.

Procurement

The DTLR commissioned report “Delivering Better Services for Citizens – a review of local government procurement in England” – the Byatt Report, has set down the way in which

local authorities should approach procurement both strategically and practically into the future.

The report contains 39 recommendations and is being used by the Audit Commission's Best Value Inspectorate as its blue print for assessing performance of Councils in this area of activity.

The principal issues expected of local authorities are set down in **Annex 2**

The Client / Contractor Split Issue

Before the introduction of large scale Compulsory Competitive Tendering (CCT) there was within local government widespread "twin-hatted" arrangements whereby the manager responsible for a service also had line-management responsibility for the direct carrying out function as well.

CCT largely removed this and the emphasis, particularly from District Audit, was on a clear client / contractor split. Many local authorities addressed this, and the need to be more commercial, by grouping together the contractor elements into one organisation. Carlisle Works is a manifestation of this.

Whilst this had the supposed advantage of assisting with contract compliance and that the requirements of the client were clearly separated from the needs of the contractor it also had the disadvantages of being costly, particularly in relation to supervisory costs, and confusing in the eyes of the customers. Effectively it often drove apart the contractor from the client such that the contracting arm became overly focused on their needs rather than identifying with the customer requirements.

In light of good practise experience already existing in Carlisle, whereby for the street cleaning and refuse collection contracts there has been removed the duplication of supervisory costs whilst still ensuring that there is still a recognisable separate client (in this case Environmental Services). In this case the contractor has the primary responsibility for performance and quality control on a day-to-day basis and the

Client's principal concern is the strategic overview of this service. (More information in **Annex 3.**)

The position therefore is that the day-to-day supervision of contracts should be undertaken within the control of the contracting organisation but that there should remain a separate designated manager who will have the responsibility of each service. All operational issues would be the responsibility of the contractor; these should include contract compliance, performance monitoring and maintenance of all relevant statistics, budgetary control, operation of call centre and receipt of all enquiries and complaints. Payments to the contractor could either be self certified or drawn down against the production of performance returns with the ability of the client to hold up payment in certain clearly specified circumstances by intervention only.

The client officer will be expected to deliver proposals for the delivery of services, to set out the specifications for those services to take the lead on the procurement of the delivery of those services (in conjunction with the corporate procurement unit)[Ⓐ], and to ensure that such delivery meets the standards and expectations of the authority.

[Ⓐ] subject to what is finalised on the new organisational structure

A further option is to wholly integrate the client function within the contracting organisation providing, that the work is being undertaken by the "in-house" contractor.

This builds further on the benefits outlined above, removing any costs associated with a split of responsibilities and clarifies wholly the issues of responsibility and accountability. It does, on the other hand, mean that there is no independent arm to scrutinise performance or to keep under review the alternative options for the delivery of the services. This could lead to a position whereby the Council may be receiving advice which is influenced disproportionately by the need for continuity of contract rather than the future requirements of the service and the most effective delivery mechanisms.

Meeting High-performance

The foundation of the delivery of services to the public lies in the quality of the specification and in the clarity of the intention of the service to be provided. The City Council will need to ensure that these are prepared with the customer / end users involvement.

Secondly the employees of the service delivery organisation will need to strongly identify with the aims and purposes of the nature of the service to be provided.

Thirdly the contract delivery will need to be managed to a high standard.

Fourthly the way the service is to operate and any changes to that operation will need to be communicated to the end user.

Lastly there should be regular user surveys undertaken aimed at establishing shortcomings and also aspects for improvement.

Profitability / Surpluses

Whilst it is prudent always to ensure that contracts are operated within the agreed price for the work, the management of the contract should not be undertaken with an undue emphasis on profitability particularly where that becomes a preoccupation to the detriment of service delivery. Where surpluses accrue then proposals should be considered in conjunction with the client which could enhance and improve the service provided.

Partnering

In 1998 the Government adopted the findings of report "Rethinking Construction" which was produced by Sir John Egan. This contains a number of basic principles to be applied to contracting. Although these were principally related to the construction industry the basic concepts have a much wider application – particularly within the public service.

The report identified 5 drivers for change

- Committed leadership
- Focus on the customer
- Integrated processes and teams
- A quality driven agenda
- Commitment to people.

One of the underlining principles of the Egan Way is that there should be a partnering approach to contracting rather than the traditional adversarial style brought about by the competitive process. (see **Annex 4**)

The Egan initiative has now been adopted on a widespread basis by both Government Departments, agencies (eg. The Housing Corporation) and within local government a special task force (LGTF) has been set up to promote the Rethinking Construction agenda. The Government sees that the introduction of this method of operating contracts as being "central to the delivery of Best Value across a wide range of local authority services."

It is therefore proposed that the new arrangements set out herein for operating the client / contractor relationships within the City Council should incorporate and apply the principles contained within the Egan report and that these should apply to all major procurement except where it has been determined that it would not be in the best interests of the City Council.

The way forward

It is proposed that this note should be first the subject of consideration by those officers who have been involved in the discussions referred to above and then, subject to amendments, be incorporated in the associated documentation for the final report on the proposed new organisational structure.

Furthermore it should also be expected that it will be a primary influence upon the other reviews being undertaken as part of the overall examination of the City Council's organisation.

It should be noted that the purpose of this paper is to clarify the concepts and to establish a basis of understanding which will provide a platform upon which these issues can then be taken forward and integrated as part of the Corporate Organisational Review.

HACAS Chapman Hendy

The purpose of an in-house contractor.

Set out below are the key purposes of an in-house contractor.

- To have a customer focus including being customer care and needs orientated
- Responsive to public aspirations
- To be a primary public face of the Council
- To identify with, contribute to and share in the implementation of the Council's corporate objectives.
- To be a coordinated provider of Council services, flexible to meet the Council's priorities
- To be accountable to all
- To consistently achieve high quality standards whilst also representing good value for money
- To seek to integrate services operationally where this can meet public expectations particularly where this can have an area or job requirement
- To be a regulator in the local sub-regional market place
- To provide a source of inward investment which helps develop the local economy
- To be an exemplary employer which includes understanding skills development, training and apprenticeship programmes aimed at producing and maintaining a high quality work force
- To be viable financially with the aim of ensuring that reasonably moderate surpluses are accomplished providing:
 - i. The requirements of the various services are fully realised to a high standard; and
 - ii. The needs of the contractor to re-invest in systems, equipment and the development of the workforce are able to be fulfilled.
- In recognition of the City's isolation to be able to provide contracting services where otherwise these would not be readily available within the sub-region
- To be both a user and supplier of corporate services eg. health and safety
- To adopt a partnering approach in conjunction with clients based on a non-confrontational approach which seeks to meet the "Egan principles" set out in the Government report "Rethinking Construction" – see Annex 4.

Procurement in Local Government

The Government and the Audit Commission believe that those authorities willing to re-think their approach to procurement should expect significant benefits, including:

- Increased investment;
- Reduced costs
- Changes in organisational culture; and
- A clearer focus on service objectives.

It is recognised, however, that the majority of Councils find this a difficult area and that there is a defensive procurement culture which reflects the previous CCT regime.

The Audit Commission expects Councils, both at Member and senior officer levels, to:

- Be aware of the opportunities that exist to challenge the “what, how and who” of service delivery;
- Understand the barriers that are preventing their authority from doing this; and
- Ensure that an appropriate framework is in place.

The Byatt Report on local government procurement states that every council should have a procurement strategy and plan, the key points the report emphasises are:

- That the procurement function should be the responsibility of a senior officer;
- That there should be procurement “experts” able to ensure that good practises are used, transaction costs are controlled and that guidance is available to individual procurement officers in service areas;
- That robust and clear procedures should be set out for appraising and implementing large and complex contracts.

The Client/Contractor Arrangements for the Refuse Collection and Street Cleansing Contracts within Carlisle City Council

Originally within the predecessor of the Dept. of Environment and Development (DEAD) there operated a contract monitoring team. This consisted of a contract manager, a team of 3 inspectors and a technical clerk. This team monitored performance across refuse, street cleaning and public convenience cleaning and processed contractor payments. Subsequently this function was merged with the street lighting inspectorate.

Eventually the inspection role for the street cleaning and refuse contracts was transferred to Carlisle Works, together with a proportion of the original supervision recharges, and this was facilitated by the establishment of a call centre and a quality control unit.

A key advantage of this is that public enquiries relating to the two contracts, as well as other DSO functions, are dealt with at one enquiry point. Previously queries & complaints were handled both by the contractor and DEAD, with the result that many were lost, duplicated or delayed. Performance data for the contracts is maintained by the quality control unit and supplied to Environmental Services who maintain the client role. Communications are greatly simplified, there is a direct line to the contractor from the Council's customers and the majority of operational problems are resolved by way of a weekly meeting between the Head of Environmental Services (HoES) and the quality inspector, lasting no more than 30 to 45 minutes.

The client role has therefore become largely strategic with HoES reviewing future service delivery options and improvements and trouble shooting any specific contract compliance problems brought to light by the monitoring reports or by some other (generally exceptional) means.

This has left the contractor to get on with the day-to-day contract management including supervision without the involvement, disproportionately, of a third party.

This has worked very well as is demonstrated by the fact that the performance of both these contracts is within the top quartile.

Re-thinking Construction – the basic principles which underpin a partnering approach to contracting

What it is;

- ❖ Partnering involves two or more organisations working together in a spirit of trust and co-operation to improve performance through agreeing mutual objectives, devising a structured process for decision-making, committing themselves to continuous improvement, measuring progress and sharing the gains

What it is not;

- ❖ A form of contract
- ❖ A method of procurement
- ❖ A set of operational rules
- ❖ A soft option

Its characteristics;

- ❖ Trust, co-operation and respect
- ❖ Commitment
- ❖ An alignment of attitudes
- ❖ Understanding
- ❖ Regular, open communication

What it seeks to avoid;

- ❖ Confrontation
- ❖ "Fire-fighting" mentality
- ❖ Fear of being taken advantage of
- ❖ Complex contractual processes and legal positioning
- ❖ Waste and duplication

Who has accepted this approach (amongst others)

- ⊞ Department of Trade & Industry
- ⊞ The Department of Health
- ⊞ DTLR
- ⊞ The Housing Corporation

UNISON

Local Government

Carlisle City Branch
Civic Centre
Rickergate
CARLISLE
CA3 8QG

01228 817573

16th April 2002

CHIEF EXECUTIVES DEPT	
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17 APR 2002	
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ARCHIVED	
MAIL LOG	✓

Peter Stybelski
Chief Executive

Dear Peter

With reference to the ongoing Corporate Organisational Review, UNISON's initial broad based views are as follows:-

- Why has this reorganisation been considered, i.e. what has driven it? Why are the Council looking to do away with departments?
- This must not be a cost cutting exercise - we do not want a reduction in staff levels as this increases workloads and therefore increases stress levels, lower morale and increased sickness levels.
- All decisions should be made openly and with full consultation with staff and unions.
- We would like three Executive Directors not 2. Any reorganisation should be done utilising existing staff - all posts should be ringfenced i.e. all posts should be filled using existing staff and should not be opened to external applicants.

I would be grateful if you would convey these views to the Overview and Scrutiny Organisational Assessment Best Value Review Sub-Committee, Executive and Council at your earliest convenience.

Yours sincerely



Chris Wright
Chair, Carlisle City Council Branch UNISON

CHAIRPERSON: CHRIS WRIGHT 817364

SECRETARY: SARAH GRAHAM 817573
ISOBEL DAVISON 817572

**CARLISLE
CITY COUNCIL**



Town Clerk and Chief Executive

Peter Stybelski BSc MSc

Civic Centre Carlisle CA3 8QG • Telephone (01228) 817000 • Fax (01228) 817048

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Mr C Wright
Chair - Carlisle City Council Branch UNISON
Civic Centre
Carlisle
CA3 8QG

Please ask for:

Direct Line:

E-mail:

Your ref:

Our ref:

Peter Stybelski

01228 817001

PeterS@carlisle-city.gov.uk

CE20/TU01/DK

19 April 2002

Dear Chris

ORGANISATIONAL REVIEW

Thank you for your letter of 10 April, which I shall report to the Organisational Assessment Best Value Review Sub Committee, the Executive and Council within the next report planned for the end of May. I shall share a copy of the report with the Trades Unions as part of the process and ensure that the report addresses the points raised in your letter.

Yours sincerely

P Stybelski

Town Clerk and Chief Executive



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**CARLISLE
CITY COUNCIL**



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Mr C Wright
Chair - Unison
c/o Carlisle City Council
Leisure & Community Development

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Your ref:

Our ref:

Peter Stybelski

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PeterS@carlisle-city.gov.uk

TCCE/DK

2 May 2002

Dear Chris

CORPORATE ORGANISATIONAL REVIEW

Further to your letter of 16 April and my response of 19 April, I thought it would be helpful to set out a response to each of the points you raise.

- ◆ As you know, the Organisational Assessment Best Value Review has been driven by the need to respond to the Government's modernising agenda and the issues raised in the Scoping Report and also to provide the framework within which to manage the consequential change resulting from potential Housing Stock Transfer and policy changes in the method of operation of Leisuretime. Please refer to Section 8 of the Scoping Report for the analysis of why the Council is proposing to change the Departmental structures and in particular Section 8.3
- ◆ This is a Best Value Review and has at its heart the requirement for continuous improvement. It is not an exercise to reduce staff levels but aims to make sure the Council has the staff resources available where needed to deliver its corporate priorities and meet the challenges facing it.
- ◆ The process has involved considerable consultation with staff, trades unions, Councillors, partners and the public. As you know, it started last October 2001 and included interviews with staff and consultations prior to the development of the Scoping Report, comparison with other Local Authorities, consultation with staff on 25 strategic questions to inform a new structure and most recently, the month of April has allowed for consultation on the Council's preferred model (Option 5) on an individual basis, through regular Open Meetings, a dedicated email address and a series of twelve detailed consultations on all aspects of the proposed structure.

A revised structure taking account of the consultation will be available at the end of this month and will be shared with you as soon as possible. Following Member consideration, this will be followed by a further period of consultation before a detailed report is prepared to propose the full structure with information for each affected post. This will of course then be subject to further statutory consultation. Every effort is being made to ensure full consultation and openness with staff and the trades unions and as you know, you are invited to project meetings on behalf of the trades unions.

- ◆ The consultants have recommended two Executive Directors and this has not yet been confirmed as the consultation on the structural option chosen by Members only closed on 30 April 2002 and the responses are still being considered. The process for filling posts will be subject to an Assimilation and Appointment Protocol which is also currently being prepared and I will share this with you as soon as possible. The timetable for the review allows for a period of formal consultation on the Protocol from the 27 May to the 18 July 2002 prior to formal consideration by the Council.

I trust that these comments are helpful and I will of course, as stated in my earlier letter, ensure that your comments are reported to the Overview and Scrutiny Sub Committee, Executive and Council.

Yours sincerely

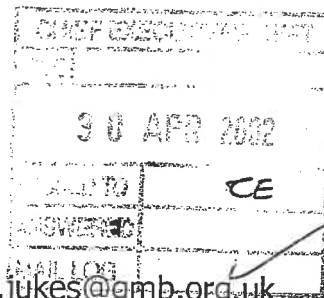
P Stybelski

Town Clerk and Chief Executive



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Our Ref : CJ/JC

E-mail : christopher.jukes@gmb.org.uk

29 April 2002

Direct Line : 0191 241 3102

BY E-MAIL AND POST

Mr Peter Stybelski BSc MSc
Town Clerk and Chief Executive
Carlisle City Council
Civic Centre
CARLISLE
CA3 8QG

Dear Mr Stybelski

PROPOSALS FOR A NEW STRUCTURE

Thank you for your correspondence relating to the proposed new structure and for the offer to attend the meeting of 25 April. I understand Paul Savage was representing the GMB at this meeting.

I enclose a very comprehensive list of considered comments from MPO members as part of this initial consultaion phase.

I also have a number of comments to put forward and these are detailed below :

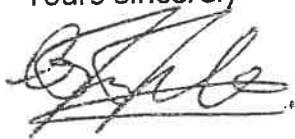
1. In respect of Senior Managers there are issues relating to potential:
 - Slotting in of Staff
 - Ringfencing
 - Competition for Posts
 - Displacement and subsequent Redeployment of Staff
 - Suitable Training (or Re-Training) of Staff
2. I would request detailed clarification of the costs (neutral or otherwise) of proposals.
3. I can only reiterate the Chief Officer comment that there is a feeling of vulnerability and implied criticism for past organisational issues.

Cont/

4. In terms of statutory consultation I would ask for clarification that the 90 day period will be applied to all staff.

Finally I would ask for a meeting to discuss our MPO member concerns and how they can continue to play a positive and constructive part in this process.

Yours sincerely



CHRIS JUKES
ORGANISER

Enc

Copy - Mr M Battersby – Director – Department of Environment and Development
Mr D Thomas – City Treasurer
Mr E Cartwright – Director – Leisure and Community Development Department
Mr J Egan – City Solicitor and Secretary (for information)

CARLISLE CITY COUNCIL



Town Clerk and Chief Executive

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Mr C Jukes
Organiser
GMB Northern Region
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Your ref:

Our ref:

Peter Stybelski

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PeterS@carlisle-city.gov.uk

TCCE/DK

2 May 2002

Dear Mr Jukes

ORGANISATIONAL ASSESSMENT BEST VALUE REVIEW

Thank you for your letter of 29 April and comments on the proposed new structure of Carlisle City Council. Thank you also for forwarding the individual comments of MPO members which I have copied to Gerald Davies the Consultant from HACAS Chapman Hendy to ensure that they are taken fully into account in the review.

In respect of your numbered points, I would like to respond as follows:

1. In respect of slotting in of staff, ring fencing and competition for posts, I am currently preparing an Appointment and Assimilation Protocol to guide the appointment and assimilation of employees into positions in the Council following the Organisational Structure Review. I will consult you and MPO members on this protocol and this is planned to take place between 27 May and 18 July 2002. The results of consultation will be reported to the Executive for decision by the Council. I am also seeking to put in place arrangements for suitable training and career advice for employees generally and would like to discuss this further with you.
2. The objective of the Corporate Review is not cost driven but I shall ensure that cost estimates are available when the result of the consultation on option 5 is reported back to the Overview and Scrutiny Organisational Assessment Best Value Sub Committee at the end of this month. I shall ensure you are given a copy of the report as soon as possible.

3. This is a Best Value Review and has at its heart the requirement for continuous improvement. It is not an exercise to reduce staff levels but aims to make sure the Council has the staff resources available to delivery it's corporate priorities and meet the challenges facing it.
4. I can confirm that the appropriate statutory consultation period will be applied to all staff.

I am of course, prepared to meet you and your MPO members at your earliest convenience and wish to ensure that you continue to play a positive and constructive part in the process.

Yours sincerely

P Stybelski

Town Clerk and Chief Executive



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