

Leicester
City Council

WARDS AFFECTED

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

27 June 2005

IMPROVING SERVICES FOR CHILDREN AND YOUNG PEOPLE, AND FOR ADULTS

Report of the Chief Executive

1. Purpose of Report

- 1.1 This report seeks Cabinet approval to reconfigure Council services in response to the Children Act 2004.

2. Summary

- 2.1 The Council has undergone substantial restructuring in recent years to achieve efficiencies and greater effectiveness in response to the modernising agenda. The Government's shared priorities, increasingly reflected in Local Public Service Agreements, Local Area Agreements, the Comprehensive Performance Assessment and the Leicester Partnerships strategy for Leicester, are built on four areas: -

- Children and young people
- Older people and health
- Cohesive and stronger communities
- Economic prosperity and sustainability.

These four areas broadly correspond to the four main service departments proposed for the Council.

- 2.2 1 April 2006 is the critical statutory date by when we need to adopt a Single Plan for Children and Young People and introduce other key programmes of action. Extensive preparation has been undertaken by the Leicester Federation of Children's Services, chaired by the City Council's Chief Executive, in partnership with all the agencies dealing with children in the City. This work has led to proposals for reconfiguration based on analysing the key outcomes for children so that the form of the Council's structures can follow their function.

- 2.3 In view of the importance of the post of Corporate Director of Children's Services, the proportion of Council responsibilities including schools for which it is responsible, and the significant recruitment already undertaken nationally for similar posts, a procurement process has been undertaken for Search and Selection specialists. There is also a need to provide additional dedicated project management support for the major task of

disaggregating and reshaping existing departments to form the two new Children and Adult Services.

3. Recommendations

- 3.1 That the Council's services be reorganised into five Departments: Resources, Access & Diversity and four front-facing Departments.
- 3.2 That there be two new Departments within the 4 headed by a Corporate Director of Children's Services and Corporate Director of Adult and Community Services.
- 3.3 That the allocation of responsibilities for services be in accordance with Annex A and otherwise as they are now, subject to any detailed adjustments approved by the Chief Executive in consultation with the Leader and Deputy Leader.
- 3.4 That the target date for implementing the new structure be 1 April 2006.
- 3.5 That the Chief Executive establish the necessary project management arrangements, including dedicated external project management support.
- 3.6 That the Chief Executive initiate the procedures for recruiting the two new Corporate Directors.

4. Financial, Legal and Other Implications

- 4.1 Financial Implications (Author: Mark Noble)
Likely costs of project management will be reported to you meeting. The costs will be met 50:50 between the Education and Lifelong Learning and Social Care and Health departments.
- 4.2 Legal Implications: (Author: Peter Nicholls)
Procurement of an additional specialist project management resource needs to be in compliance with Contract Procedure Rules.
The project itself must be in compliance with the Council's project management standards.

The organisation review appears to relate to the whole organisation, the scope needs to be clarified and it will be subject to the Council's agreed protocol for organisational reviews.

As soon as it is clear that there is potential for any redundancies or changes to terms and conditions, then there will be a need for compliance with relevant statutory provisions including the need to consult.

OTHER IMPLICATIONS	YES/NO	
Equal Opportunities	Yes	The reorganisation will be undertaken in accordance with Council procedures.
Sustainable and Environmental	No	
Crime and Disorder	Yes	The management arrangements will provide focus for this function.
Human Rights Act	Yes	The reorganisation will comply with human rights requirements.
Elderly/People on Low Income	Yes	The management arrangements will provide focus for these functions.

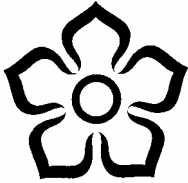
5. Report Author/Officer to contact:

Rodney Green
Chief Executive

CX/RG
08/06/05

DECISION STATUS

Key Decision	No
Reason	
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



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FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

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IMPROVING SERVICES FOR CHILDREN AND YOUNG PEOPLE, AND FOR ADULTS

SUPPORTING INFORMATION

1. BACKGROUND

- 1.1 The Council is committed to making Leicester more attractive for all its diverse citizens. The senior management of the Council provides the key professional leadership of what is arguably the most complex and largest organisation in the sub region. The Council delivers the full range of county and district services. It operates with high levels of social deprivation and economic inequality. It deals with an exceptional cultural diversity and urban concentration. All these add to the opportunities, challenge and interest of senior management.
- 1.2 Two years ago the Council completed a significant restructuring of the senior management to create a new Regeneration and Culture Department and to achieve substantial management savings. The number of Corporate Directors and Council departments has been reduced by two to five since Unitary Status despite a substantial growth in statutory, budgetary and other responsibilities. Nevertheless more structural change is now necessary because of the Children Act 2004, which arose in the context of the death of Victoria Climbié and the subsequent Laming Report. The Act requires a further restructuring of the Council's top management to identify a single lead Member and Director for Children's Services. Similar arrangements follow as a consequence for Adult Services. This post is regarded as of similar esteem, importance and significance in the statutory guidance.
- 1.3 The Leicester Federation of Children's Services was formed two years ago and includes all the partner organisations in the City serving children. It has been reflecting on the key outcomes needed to improve children's life chances, and this provides a strong basis for reshaping Council and partner services. The work was shortlisted for Beacon Council Status last year.

2 THE EXTENT OF RESTRUCTURING REQUIRED

- 2.1 The opportunity for very significant restructuring now presents itself and there are advantages and disadvantages to expanding the scope of the change. For example,

Housing and Adult Services share many common agendas as do a range of services in Regeneration and Culture. Some County Authorities have already restructured essentially around their two major services – Adult and Children’s Services. Some Unitary Authorities have also merged Housing and Adult Services to form just three major service departments – including one around community, regeneration and cultural services.

- 2.2 However, Leicester faces some specific circumstances. For example, its Housing Department is highly rated in external inspections and has won an unprecedented range of Beacon Council awards. It is also the first Housing Authority in the country to complete a stock transfer appraisal and conclude that the service should remain with the Council. This process has now been approved by GOEM and has significant organisational implications. One of the keys to the success of the Housing Service in Leicester has been its clear political and management focus on housing services. This service comprises 1600 staff, Housing Revenue Account of £75 million per annum, a turnover of £0.3 billion and the management of one million customer enquiries per annum. The abolition of this department and its merger with another department without externalising its operations may adversely affect the focus on housing services. A merger with the new Adult Services Department may create a service further from front-line services. In these circumstances there are sufficient management reasons to retain a focussed Housing Department which gives the best opportunity to continue providing excellent services to tenants and other users, rather than embarking at this time on a major reorganisation. This would not preclude making some well-chosen changes to the Housing portfolio where it connects, for example with Social Care to assist the overall balance across the Council.
- 2.3 The Regeneration and Culture Department has just recently gone through significant upheaval and has invested heavily in consolidating itself as a new department with its own culture. It is open to doubt whether a radical new set of changes would be beneficial, although certain adjustments could be helpful in firming up the role of the two new departments for children and adults.
- 2.4 Moreover, staff have been coping with a succession of changes and an exceptional range of major projects including the Performing Arts Centre and Building Schools for the Future,. The capacity for more change is finite. A wide-ranging and potentially controversial set of proposals for organisational change may not be timely or realistic, even if there were stronger arguments in favour.

3 A FOCUSED SERVICE FOR CHILDREN AND FOR ADULTS

- 3.1 The opportunity has been taken to complete through the Leicester Federation of Children’s Services a fundamental review of the needs of children and adults in the light of positive improvements in life outcomes. Account has been taken of the relevant strategies both of the Council and key partners. Proposals are now ready to be put forward for a radical restructuring of the Council to achieve a new Director of Children’s Services and a new Director of Adult and Community Services. Annex A sets out the areas of responsibilities proposed by the Directors’ Board for the Director of Children’s Services, and the Director of Adult Services, with consequent adjustments for other Departments.
- 3.2 These proposals appear to be a sufficient basis to move towards filling the two posts. If arrangements for initiating the selection process are not concluded as early as possible, the opportunity to start the new arrangements in April 2006 will be jeopardised. The statutory

requirement permits such arrangements to be completed by no later than April 2008, but there are several reasons why 1 April 2006 would be preferable in Leicester: -

3.2.1 A high level of collaboration and analysis over the last eighteen months has taken place with all City partners on the outcomes we are seeking to achieve for children. There is wide consensus at professional and non-executive level about the broad direction of travel. This work now invites action rather than extensive further deliberation.

3.2.2 1 April 2006 is the statutory date by when some fifteen separate plans affecting children's services need to be brought together in a Single Plan for Children and Young People. It makes sense for a single lead Member and Corporate Director to take responsibility for delivering this Plan. 1 April 2006 is also the date when the new Local Safeguarding Board replaces the Child Protection Committee. The new single inspection regime covering children's services also comes into operation on 1 April 2006, and our new Joint Commissioning arrangements.

3.2.3 Over half of relevant authorities in the country have now appointed Directors of Children's Services. Uncertainty in the Council, while unavoidable during the process of clarifying outcomes for children and identifying the culture and workforce changes required, becomes increasingly counter-productive in terms of recruitment and retention of key staff in an active market. A clear commitment by the Council in terms of the broad structural arrangements will provide considerable reassurance to most staff about their futures.

3.3 The proposals have been based on a number of assumptions: -

3.3.1 The priority must be to create more attractive outcomes for children and adults in terms of personalised services, meaningful choice and greater independence.

3.3.2 An emphasis on focus for political and professional leadership is more likely to achieve better outcomes than an aggregation of very large service blocks. Focus is best delivered through direct management of core services, combined with programme management of related but non-core Services for which others carry the burden of direct management.

3.3.3 The Council's top management team should seek to spread the considerable range of its responsibilities so as to achieve a reasonable balance. Statutory requirements presuppose a significant proportion of Council activity under the leadership of one Member and one Corporate Director for Children Services. This implies merit in focussing the new service on its priorities and not unnecessarily enlarging the brief further into discretionary areas.

3.3.4 The Government's thinking on Local Area Agreements between Whitehall and Councils centres on four main Shared Priorities. While these could never be translated directly into organisational structures, they do give a broad framework for organising services. These four blocks fit helpfully with the proposed four main service departments delivering the Council's front-line services. A reduction in departments delivering front-line services from four to three may disrupt the national/local synergy. It could lead to the loss of the necessary specialist skills involved in providing an estimated six hundred different services across a Unitary

Council. It would significantly increase the number of jobs at risk, scale of competitive interviews that would become necessary and the formalities and complexities of the project. The Council's exceptionally challenging change agenda including several major projects at present has already been noted.

3.3.5 Whatever service configuration is adopted there will be a critical and ongoing need for culture change, workforce development and improving inter-departmental and cross-agency collaboration. This is the only way to ensure that the full programme of work around children and around adults is influenced and orchestrated in a coherent way by the relevant Corporate Directors. It will obviously never be possible, or desirable, to control under one agency or department all services that impact on children, or adults.

3.4 The trades unions are being consulted on the proposals in Annex A and their views will be reported in the meeting. The proposals will continue to be the subject of discussion with Members, staff, Trade Unions and partners so that any necessary final adjustments can be discussed with the new Corporate Directors when appointed. Rapid progress should be made to complete the staffing reviews for Service Directors and below as soon as possible.

4 Efficiency Strategy

4.1 The efficiency agenda requires a parallel piece of work over the next three years. Efficiencies are being defined very carefully, including those which will count towards the £21 million efficiency target set nationally for Leicester. Further work is being done on our efficiency strategy, which will inform the development of the new services.

5 Project Management

5.1 Although rapid progress may be possible with establishing the two new services at Corporate Director level, a major restructuring project is necessary to establish the resultant structures based on the necessary outcomes for children and young people and for adults. Due to the scale and complexity of a task involving extensive consultations, the detailed restructuring and budget realignments for some 80% of the Council's resources, this project will take some months to complete and requires a formal project plan with additional dedicated specialist project management resources.

5.2 The project brief will be to plan and manage the project, in appropriate phases, in accordance with the outcomes and framework in this report and, in particular to:

- Deliver integrated service configurations for the two new Departments, with associated adjustments in other Departments.
- Clarify and, where necessary, rationalise services across Departments, trading and support functions and related procedures (having regard to the planned review of support services).
- Ensure the new structure has the flexibility for realigning services between Health and Adult or for joint working arrangements.
- Realign Council budgets to reflect the new structure and provide clear management accountability.

- Ensure effective communications and consultation in relation to the project, including Scrutiny Committees and the trades unions generally and in connection with the protocol for organisational reviews.

5.3 During Phase 1 involving the two Corporate Directors and then Service Directors, it is proposed that the Chief Executive is the Project Director for the overall project, with the Directors' Board plus the Service Director (HR) acting as the Project Board. In Phase II involving the rest of the Departments, alternative project arrangements will be developed.

5.4 The most urgent step within the project is to recruit the two new Corporate Directors. These are Council appointments, through the Employees (Appointments) Committee. The arrangements for this will be initiated as soon as the Cabinet has approved the way forward.

6. Risk Assessment

Risk	Likelihood H – High M – Medium L – Low	Impact	Control Measures
Desired outcomes are not achieved.	L	M	Effective project management arrangements. Adequate project resources.
Adverse industrial relations reaction.	L	H	Effective staff and trades union consultation within normal Council procedures. Formal communications and consultation plan within the project plan.
Key staff leave due to uncertainty	M	M	Speediest project timetable consistent with effective consultation. Clear communications to minimise uncertainty.
Non-recruitment to key posts.	M	M	Targeted use of specialist recruitment support.
Mismatch between the new structure, budgets and management accountabilities.	L	M	Clear plan for mapping accountabilities and budget transfers.

7. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Children Act 2004.

8. CONSULTATIONS

Directors' Board
Trades union representatives

9. REPORT AUTHOR

Rodney Green
Chief Executive
CX/RG
08/06/05

PROPOSED NEW DEPARTMENTAL RESPONSIBILITIES

The staffing and budget estimates are very approximate and are given merely to illustrate the scale of the functions

CHILDREN'S SERVICES

Corporate Director of Children Services (by statute)	Staffing Numbers (FTE)	Net Revenue Budget
1. Schools Block (delegated)	7000 (approx) in 120 schools	£136m

Key:

(A) Corporate Director of Adults' Services
(RAD) Corporate Director of Resources, Access & Diversity
(R&C) Corporate Director of Regeneration & Culture
(H) Corporate Director of Housing

				Staffing Numbers (FTE)	Net Revenue Budget *
2. Standards 3. Effectiveness 4. Multicultural Education Service 5. Special Needs Teaching and Student Support Service 6. Admissions and Inclusion Service 7. Education Welfare Service 8. Psychology Service 9. Special Education Service 10. Early Years Development and Childcare Service 11. Childcare Information Service 12. The Val Jones Centre 13. The Youth Service 14. School Governor Support Service 15. Free School Meals Assessment 16. School Crossing Patrol Service 17. Arts in Education Service 18. Building Schools for the Future 19. Children's Centres 20. Sure Start 21. Adoption 22. Fostering	1560	£69m	1. Adult Learning (A) 2. Family Learning (A) 3. Student Awards, Grants and Loans (RAD) 4. Community Centres (R&C) 5. Libraries and Information Services (R&C) 6. Links to City Colleges and Learning Centres (A) 7. YOS (A)	460	£12m (approx)

				Staffing Numbers (FTE)	Net Revenue Budget *
23. Children's Rights					
24. Leaving Care and Post 16 services					
25. Duty and Assessment service					
26. Children's Homes					
27. Child Care Social Work					
28. Family Centres					
29. Family Support Services					
30. Safeguarding Children Services					
31. Child and Adolescent Mental Health Service					
32. Disabled Children Services					
33. Teenage Pregnancy Strategy					
34. Hospital Social Work (Children)					
35. Young People's Drug Treatment Service					
36. Emergency Duty Service					
37. School Meals Commissioning					
38. Housing Family Support (Border House)					

ADULT AND COMMUNITY SERVICES

The accountabilities for the Director of Adults Services are based on the government’s draft guidance on the role and scope of the post.

Corporate Director of Adult & Community Services (based on Government Guidance)	Staffing Numbers (FTE)	Net Revenue Budget *	Proposed Responsibilities for Discretionary Services	Staffing Numbers (FTE)	Net Revenue Budget *
<ol style="list-style-type: none"> 1. Domiciliary Home Care Service 2. Blue Badge Scheme 3. Mobile Meals 4. Occupational Therapy 5. Day Services 6. Lunch Clubs 7. Respite Care 8. Adult Placement Service 9. Welfare Rights/Benefits Services 10. Independent Living Schemes 11. Residential Care 12. Nursing Care 13. Intermediate Care 14. Duty And Assessment Services 15. Mental Health Services 16. Learning Disability Services 17. Physically Disabled and/or Sensory Impaired Adults Service 18. Hospital Social Work (Adults) 19. Emergency Duty Service 20. Crime and Disorder (in YOS) 21. Specialist Advice Services 22. Supporting People 23. Shop Mobility 24. Community Transport 25. Links to City Colleges, Learning Centres, HE 26. Family Learning 	1100	£58m	<ol style="list-style-type: none"> 1. Housing Options and Advice (H) 2. Community Centres (R&C) 3. Libraries and Information Services 4. Museums (R&C) 5. Links to City Colleges and Learning Centres (A) 6. Family Learning (A) 7. Noise, Nuisance and Safety (R&C) 8. Housing Repairs (H) 9. Housing Stock (H) 10. Council Tax (H) 11. Public Health (R&C) 12. Shop Mobility (A) 13. Private Sector Housing (H) 14. Crime and Disorder (A) 15. Specialist Advice Services (A) 16. Community Transport (A) 17. Housing Renewal (H) 	To be confirmed	£28m (approx) plus £72m gross Housing revenue Account plus £16m Supporting People Grant