

Committee/Meeting: HR Committee	Date: 22 October 2014	Classification: Unrestricted	Report No:
Report of: Head of Paid Service Originating officer(s) Stephen Halsey, Head of Paid Service; Simon Kilbey, Service Head (Human Resources & Workforce Development)		Title: Organisational Structure Wards Affected: All	

1. **SUMMARY**

This report considers structural change and some on-going review activity that is considered appropriate to ensure that the Council is best placed to mitigate operational risk and continue to meet its statutory obligations in a fast changing operational environment specific to the services contained within Education Social Care and Wellbeing. It sets out relevant organisational context and makes some relevant recommendations. The report also sets out a range of changes and adjustments to senior positions within other parts of the Council to ensure that operational arrangements for the management of Council business are optimised.

2. **DECISIONS REQUIRED**

- 2.1 That, in the light of increasing operational complexities in the field of Education, Safeguarding, Health and Social Care as set out in Section 5 below, Members endorse that a structural options appraisal be undertaken on the configuration of these services led by the Head of Paid Service and supported by the Corporate Director ESCW.
- 2.2 That Members agree to receive the findings of the above structural appraisal from the Head of Paid Service supported by the Corporate Director Education, Social Care and Well Being at the next meeting, including an appropriate costed structure and time table for implementation.
- 2.3 That Members note the other revisions proposed to senior management posts in other parts of the Council and authorise the Head of Paid Service in conjunction with Service Head (Human Resources and Workforce Development) to take necessary steps to ensure the changes to the terms and conditions of the Senior Officer Posts affected are undertaken within existing agreed frameworks in order to bring about the effective implementation of the revisions.

3. ALTERNATIVE OPTIONS

3. *ESCW Structural Options Appraisal:* Alternative options include continuing with the existing organisational structure or to develop a set of further alternative structures. However, the above suggested structural appraisal process for ESCW is considered to provide sufficient flexibility for the formation of conclusions and recommendations. Any structural appraisal of a major Directorate and particularly one as large as ESCW has the potential to grow well beyond existing operational boundaries. Given the multiple challenges the Council faces during this period of austerity, the considerable amount of work that has already been conducted in to the structure of ESCW services over the last four years and the need to move swiftly, this review must be based on risk, quality and efficiency and its limits prescribed principally (but not exclusively) to those currently contained within the Directorate if it is not to become over-complex, unwieldy, time heavy and a distraction to the equally essential work of other directorates.
- 3.2 *The proposed changes to the rest of the Council management arrangements:* These could not be made or could be implemented in a different way but it is the view of the Head of Paid Service and Service Head (Human Resources and Workforce Development) that the proposed post deletions and redistribution of responsibilities outlined here currently present the most effective way forward.

4. BACKGROUND

- 4.1 The Council faces significant challenges over the coming 4-5 years. The current Medium Term Financial Plan envisages the need for the Council to find up to £70 million of savings by March 2017 with ongoing savings likely after that. This has been a significant consideration when reviewing the structure of the Council, a process that is continuous. Current senior level working arrangements in Resources, Public Health and Law Probity and Governance are all subject to change as a result of temporary working arrangements coming to an end and in D+R as a result of the impact of Welfare Reform on advisory services.
- 4.2 The statutory responsibility for Public Health transferred to local authorities from the NHS on 1 April 2013. The Director of Public Health (DPH) is a statutory chief officer role covered by an officer in an acting position for a number of years. The post has initially reported to the Executive Director, Education, Social Care and Wellbeing. Permanent recruitment to the post was agreed at the HR committee on 12th March 2014. This is now progressing and a report elsewhere on this agenda addresses this matter in more detail.

- 4.3 Austerity drivers have been important considerations in the creation of Education Social Care and Wellbeing Directorate from two separate directorates (Adults Health and Wellbeing and Children, Schools and Families). At the same time, the Council has clear strategic priorities and statutory obligations the most important of which include driving up educational attainment in the Boroughs schools and the maintenance of effective safeguarding operations in an increasingly difficult social and complex operational environment.
- 4.4 The Council's Cabinet agreed on 9th March 2011 to integrate the Children, Schools and Families and Adults Health and Wellbeing Directorates in order to establish a new Education, Social Care and Wellbeing directorate. In October 2011 the planned merger was reported to the HR Committee.
- 4.5 The new Directorate of ESCW was established on 29 January 2013.

5. STRUCTURAL OPTIONS APPRAISAL OF ESCW

- 5.1 ESCW was set up with many operational aspects remaining to be addressed in respect of its development and strategic direction. One of the first tasks of the new corporate director of ESCW was to fully establish the directorate and identify how it should be organised to best deliver statutory and strategic objectives.
- 5.2 Significant new national policy reviews and changes which will immediately impact on the Services currently contained within ESCW comprise
- Implications for the Council's approach to child safeguarding from recommendations from the Jay inquiry into Rotherham child sexual exploitation and any recommendations from the independent inquiry set up by the Government under Lord Mayor Fiona Woolf.
 - National policy directions emerging from the Birmingham Schools Ofsted Report.
- 5.3 The development of national policies and operational issues impacting over the medium term are:
- The introduction of the Care Act bringing fundamental reforms to local authority's support and care responsibilities in relation to adults;
 - The national drive to improve integration of health and adult social care and the Better Care Fund including the need for the Council to pay careful attention to how it manages the relationship with health commissioners and providers;
 - Significant changes to assessing children's attainment at Key Stage 2, GCSE and post 16 which require close working with schools to ensure that the strong progress the Council has made in children's attainment is not undermined;

- The extension of the Government's Troubled Families programme with a focus on 'managing families more proactively', earlier intervention including with under 5s, including children at risk of needing social care, and a new recognition of the importance of improving poor health as part of the programme
- The transfer of responsibility for commissioning health visiting and other children's public health services to local authorities from 2015
- The Governments Free School Policies and Academy programme and its impact on effective local planning and management.

5.4 The Council, therefore, faces a difficult technical task in balancing risk against efficiency/ budget reduction and quality and efficiency of services. For this reason it is essential that any strategic direction but particularly one that involves education, safeguarding and social care, needs to be constantly revisited and tested against current risk levels and organisational environmental change. In view of the above it is both timely and prudent to explore these drivers and consider the options open to these services and their configuration.

6. OTHER CHANGES

6.1 Director of Public Health

The statutory responsibility for Public Health transferred to local authorities from the NHS on 1 April 2013. The Director of Public Health (DPH) is a statutory chief officer role so the Council has a statutory duty to appoint someone at a senior level with responsibility to carry out these duties. The post does not have to report directly to a Chief Executive/Head of Paid Service but has to be accountable to them. Appointment to this post has been agreed by the committee and the process is in train with an expected appointment date in January of 2015. This process is independent of the structural options appraisal of ESCW set out elsewhere in this report and will not be delayed by it.

6.2 The Director of Public Health has also recently temporarily taken on the responsibility for the Health and Wellbeing Board and overseeing delivery of the joint Health and Wellbeing Strategy following the departure of the Service Head for Health and Commissioning.

6.3 From April 2015, the authority will take over responsibility for commissioning health visiting and other children's public health functions.

7. D&R – Current Arrangements

7.1 There are currently 5 Service Heads posts in D&R.

- 7.2 Increasingly the Directorate's responsibility for assessing housing need and preventing homelessness, led by the Service Head, Housing Options, is strongly affected by the impact of welfare reform and the changes to Housing Benefit. With Universal Credit now likely to be nationally rolled out from 2015, there is an opportunity to bring together our approach to benefits and housing assessment much more closely to ensure a more seamless resident-centred approach to some of our most vulnerable residents and to maximise any back office efficiencies.
- 7.3 There is a real potential for the realisation of financial, operational and customer service improvements were a merger of Benefits, Homeless and Housing Services to take place. It is therefore intended that the Benefits Service moves to D+R.
- 7.4 Financially, maximisation of income could be achieved through the application of Benefits Subsidy knowledge to inform decision making when offering accommodation to homeless households. Improved liaison between homeless arrears staff and benefits staff could minimise rent arrears. Operationally and from the customer service perspective, there is an opportunity to speed up claims processing, to provide welfare and benefits advice at source for residents at tenancy sign up including identification of Local Welfare Provision cases. Benefits knowledge could provide greater focus to tenancy fraud investigations. Welfare reform administration for issues such as the benefit cap and bedroom tax could also be streamlined.
- 7.5 Proposals contained in the Employment Options report on this agenda regarding the voluntary early retirement of a Service Head, if agreed will facilitate this merger, with the Council's Handling Organisational Change Procedure applying to the assimilation of existing senior managers.

8. Resources Directorate – Current Arrangements

- 8.1 The vacant post of Corporate Director of Resources is being covered on an interim basis by Mr Chris Holme – whose substantive post is Service Head Resources in D&R. The recruitment process for the Corporate Director is underway and this is dealt with separately in the Senior Management Vacancies report on this agenda.
- 8.2 During the election period the Service Head Democratic Services carried out the role of the Council's Returning Officer. Consequently alternative management arrangements were put in place in order to ensure the effective operation of the services within the remit of the Service Head Democratic Services. This involved the responsibility for Mayor's office being transferred to the Directorate of Resources. This arrangement has proved effective and work is underway to determine if this could be made permanent. The Director of Resources manages other non-Service Heads as direct reports and this service can be incorporated into the services within the Corporate Director's portfolio.

10. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 10.1 This report seeks HR Committee approval to proceed with a structural options appraisal of the ESCW directorate. This will be carried out through existing resources and thus there are no additional financial implications at this stage.
- 10.2 A number of other structural changes are also proposed. These will not lead to any additional on-going financial commitment for the Council. However, in some cases the proposed change will be implemented through the Employment Options Programme and there is a separate report on the agenda which details cost implications and potential savings that may accrue from the changes proposed.

11. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 11.1 David Galpin in Legal to cover Head of Paid Service powers to re-organise *Council's structure etc.*

12. ONE TOWER HAMLETS CONSIDERATIONS

- 12.1 All organisational change proposals consequent upon this report will be handled in line with the Council's Handling Organisational Change procedure which includes undertaking an Equality Assessment to determine any impact on groups with protected equality characteristics.

13. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 13.1 There are no implications.

14. RISK MANAGEMENT IMPLICATIONS

- 14.1 There are no direct risks as a result of this report.

15. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 15.1 There are no implications.

16. EFFICIENCY STATEMENT

- 16.1 The changes flowing from this report will assist in improving organisational efficiency and improved management control.

**Local Government Act, 1972 Section 100D (As amended)
List of "Background Papers" used in the preparation of this report**

Human Resources Committee minutes – 26 October 2011