

ORGANISATION AND STRUCTURE OF THE NEW COUNCIL

Introduction

1. This is the first of two reports on this subject to the Implementation Executive. In the light of comments on this broad analysis, I shall bring a report to your next meeting on 15th April, 2008, with options and recommendations for a specific Departmental structure for the new Council.
2. The report is organised as follows:

The starting point is the ambition of the new Council, to create stronger and more resilient communities, and the goals which will enable it to realise that ambition. The report considers those goals and the factors which will influence the Council's success, including the formal organisation and structure of the Council. The report notes the statutory requirements for the new structure. The conclusions are summarised in paragraph 48. The Implementation Executive is invited to comment on these broad conclusions, so that a further report can be prepared with options and recommendations for a specific structure for the new Council.

Ambition

3. The County Council's submission to Government defined the fundamental ambition of the submission as:

"Creating stronger and more sustainable [resilient] communities in Wiltshire" ("we're ready ..." – page 4)

4. The submission defined such communities in the following terms (derived from Wiltshire's Community Strategy):
 - Communities where people want to live and work. People are there by choice, and take pride in the distinctiveness of their towns and villages
 - Communities which are inclusive. People of different backgrounds, ages and beliefs feel a valued part of the community, not separate, marginalised or disadvantaged by, amongst other things, a lack of transport or affordable housing
 - Communities which are lively busy places. People get together to tackle local concerns, to organise cultural events, and to socialize. People readily volunteer and feel encouraged to do so. There are many social 'networks' between individuals and families, which allow people to live active, varied and independent lives
 - Communities where people feel safe, and are treated with respect
 - Communities which possess the skills and businesses to remain competitive, and generate enough jobs to meet local employment needs
 - Communities which are informed about environmental issues, and which are active in creating local solutions

- Communities where children and young people enjoy life, and achieve their potential in and out of school
 - Communities which have effective political processes, characterized by trust and openness, high political participation, and effective working relations between public, voluntary and business sectors
 - Communities which actively promote the health of residents, and seek to reduce local health inequalities
5. If local government does not work with local people to create communities of this sort, the future for local government and its services is bleak. For many of the services which we provide are unsustainable in their present form – unsustainable in the sense that they will not be viable or affordable. A few examples will illustrate this.
- The graph at Appendix A illustrates what is sometimes referred to as ‘the demographic time bomb’: the number of people aged over 85 in Wiltshire, as elsewhere, will increase both in absolute terms and as a proportion of the total
- Like many other County Councils, Wiltshire already operates a policy of restricting adult social services to those with ‘substantial and critical needs’. Even that restrictive policy looks unsustainable in the face of this demographic trend. The solution lies partly in the redesign of services according to ‘lean’ principles, and this is already underway; and it lies also in a common understanding, currently absent, between central and local government, the voluntary sector, local communities and carers as well as service users themselves, about the roles and responsibilities of each party in a sustainable relationship. This requires new policies by central government but also closer relations locally between the Council and other parties
- Social services may provide the most dramatic example of unsustainable services and trends, but they are by no means the only example: consider also the trend in out-commuting from Wiltshire (see Appendix B); the generation of municipal (and commercial) waste (see Appendix C); the growing divergence between average earnings and house prices in Wiltshire (see Appendix D); the mismatch between the range of skills currently available across the County and those needed to support a competitive and successful high-tech economy; and the implications for public health and health services of current trends in diet and exercise which would have the effect of reducing the average life expectancy in the County by more than ten years
6. These and other social, economic and environmental trends pose challenges to local government and other public services.
7. For some services, the solution requires not only changes in the service itself but also changes in the behaviour of the people who use it – a readiness to minimise and recycle waste, to review patterns of commuting, to change lifestyle. For some services, changes in the respective roles and responsibilities of the state, the individual and the community may be required. Local government can help to create the conditions in which these changes occur, but they require shared understanding and trust between local government and the communities it serves. The solution lies in nurturing resilient communities, with greater social capital.

Goals and Values

8. The submission proposed three goals in order to achieve this ambition:
 - (a) to provide strong, effective, and accountable strategic and local leadership
 - (b) to maximize cost efficiencies and organise services for the benefit of users and the public (and achieve the savings anticipated in the submission)
 - (c) to create the opportunity to fully realise our initiatives in Wiltshire's community areas (building social capital and trust in local government)
9. Measures of success against these goals will include the Council's performance against the Government's national performance indicators and local ones; levels of public satisfaction with the Council and the services for which it is responsible; levels of public involvement with the Council and with their local communities; and achievement of the reductions in cost anticipated in the submission.
10. The Implementation Executive has previously considered a report on the values and culture of the new Council, such that it is an organisation which can succeed against the goals set out above. Members of the Executive expressed a wish to keep this important area at the centre of its work. The core values underlying the Submission and the goals for One Council can be summarised as:
 - Customer focused
 - High performing, low cost services
 - Co-ordination and collaboration
 - Delegation and innovation
 - An organisation people want to work for
 - Open to influence
 - One Council and with one culture.
11. The organisation and structure must be such as to support these goals and values.

What will we do to achieve these goals?

- (a) Strong, effective and accountable strategic and local leadership:
12. The submission for One Council for Wiltshire identified the key importance of strong, effective and accountable leadership, at both the strategic and local level, and the further importance of linking the two.
13. At the County level, the Wiltshire Strategic Board (our LSP) is being reorganised to create a Wiltshire Assembly (formally, the new LSP) and an Accountable Bodies Group. The latter will provide a small group of Leaders, Chairmen and similar in the new Council, Primary Care Trust, Police Authority, Probation Service, Fire Service, Learning + Skills Council, etc., which will be able to plan and develop public services across all these organisations in a consistent and coordinated way. There is a huge opportunity here, to align budgets and plans in order to achieve results in complex areas which require effective joint working, e.g. health and social care, drugs and alcohol, community safety.
14. The Wiltshire Assembly, the Accountable Bodies Group, and the various other partnerships at County and local level which will constitute the new "family" of partnerships for the County will have responsibility for keeping the Community Strategy under review and developing the Local Area Agreement as the principal

means of implementing the Strategy and achieving its objectives. The Local Area Agreement, organised around the new reduced number of national indicators, will require effective performance management across all the organisations which are involved.

15. The structure and organisation of the new Council must be such as to enable the Council to play its full part in the new partnerships and in the achievement of the Local Area Agreement.
16. Within the Council, strong, effective and accountable leadership will require effective arrangements to support the Cabinet and a strong overview and scrutiny function. The structure must be such as to enable clear support for the Cabinet and its portfolio members from Directors and other senior managers, together with clear accountability which enables the Overview and Scrutiny Committee to hold officers as well as the Cabinet to account. Wiltshire is generally regarded as effective in terms of the arrangements for overview and scrutiny which it has developed since the 2000 Act, and it will be important for the new structure to build on this success, across the five current Councils.
17. Strategic leadership must be linked to local leadership, and the principal formal means for this which was proposed in the submission is through the new Community Boards, with links to the Cabinet through a designated member on each. The Overview and Scrutiny Committee will also need to consider how best to organise itself to have an overview of the operation of the Community Boards across the County. In terms of structure, later sections of this report consider the arrangements which will be necessary to support the operation of the Boards. The key point to note here is that the organisation and structure of the Council must be such as to support strong and effective working by officers between County and area level, and it will be very important that the Directors of the new Council are seen to lead this.
18. Similarly, the effectiveness of Community Boards will depend upon the readiness of local Councillors to take the opportunities which these Boards are intended to provide, for them to shape local services in response to local priorities and concerns. They will need proper support within the new structure in order to enable them to take this opportunity. Similarly, the submission envisaged that Community Boards would link to wider, inclusive community partnerships where they exist and the organisational structure of the Council must be such as to support their operation both in administrative terms and in terms of advice and involvement.

(b) Cost effective, customer focused services:

19. High quality low cost services will be at the heart of the new Council. Integrating District and County services will make it easier to exploit the synergy between services. Among those identified in the submission were:
 - Waste collection and disposal
 - Trading standards and environmental health
 - Strategic planning
20. Other services are distinct but have strong connections, e.g. social housing and social care, strategic housing and planning. The management of housing services in the Council will require careful consideration, there are several options.

21. Bringing services together from four Councils, and where appropriate linking to related County Council services, will make it possible to achieve reductions in cost without reducing levels of service, and this was reflected in the savings identified in the submission. Services with the potential for larger savings will be a priority for review during the period before and after April 2009.
22. The introduction of Community Boards will involve greater formal delegation to the managers responsible for local services in community areas. The Business Management Programme (BMP) will require a review of schemes of delegation across all five current Councils and all services, and thus will provide the process for driving this move to greater delegation across the Council.
23. The redesign and integration of services will strengthen their focus upon the customer. Over the medium-term (say, three years) the Council should aim to review all its major customer-facing services against 'lean' principles: assessing each process from end-to-end by reference to the value for the customer, and redesigning the process to remove all the steps which fail this test. The County and some District Councils have applied this approach to some services already and the gains are substantial.
24. In relevant services, such as Adult Social Care and Children's Services, "personalisation" (to use the Government's phrase) will involve greater choice and control for the customer, supported by a personal budget to fund his/her care. This change will clearly involve a fundamental change in the role of the professional; the work currently underway in our Adult Social Services, supported by Charteris, is intended to prepare for this change, as part of the redesign by "lean" principles.
25. The submission for One Council for Wiltshire anticipated major opportunities to improve customer service through easier access, as well as simpler and less confusing responsibilities. Improved customer access will be the subject of a separate report to the Implementation Executive, but some issues must be considered here in relation to the organisation and structure of the new Council.
26. Customers will expect a range of means of accessing the Council and its services to suit their circumstances and preferences. Local access will continue to be important. The submission stressed that the move from five Councils to one was not intended to centralise services to the public. On the contrary, it would create the opportunity to bring together services locally: customers would be able to go to one place locally to get advice and access to a full range of services, rather than trailing from one office to another. Local co-location of services will be designed through the property strategy for the new Council.
27. The opportunities for co-location reflect the range of levels at which services are organised and managed and at which decisions are taken about them. There are many levels and the key question is, what should be done at each level?
 - (i) Many services are provided in people's homes or at their businesses, e.g. home care, environmental health, waste collection
 - (ii) Many are provided at distinct locations in towns and in some cases villages across the County, e.g. schools, libraries, leisure centres, day centres
 - (iii) Some are provided through offices which serve various functions, e.g. revenues and benefits, development control

- (iv) Many services – County as well as District Council – are managed (as distinct from provided) at a sub-County, usually District level
 - (v) And the District Council offices also form important public locations for general information and for public access to the District services in category (iii) above. There is a general presumption, confirmed in the recent message to staff, that the new Council will need major offices in Salisbury, Chippenham and Devizes, as well as Trowbridge
 - (vi) Obviously the District is the principal level of governance for the District Councils and their services. The submission, “One Council for Wiltshire”, did not envisage that any decisions by the new Council would be made at the District level, with the possible exception of some planning and regulatory decisions which could not sensibly be considered at the County level
 - (vii) Other services will be managed primarily at the County level. They include central and support services (which of course support ‘front line’ services at all levels throughout the County), policy, governance and Members’ support (which will include support for Community Boards), services which are primarily strategic, such as planning, or highly specialised, such as child protection
28. The operation of the former District and other offices ((iv) and (v) above) will require formal management in respect of:
- (a) facilities management, and
 - (b) ‘front office’, customer service
29. The organisational structure must include clear accountability for the operation of District offices as at (a) and (b) above.
30. In addition, it is for consideration whether each District office would need a General Manager to co-ordinate all the services which are managed from that location. There are two reasons why this arrangement might create difficulties:
- it would cut across service responsibilities of Directors
 - not all sub-County services will be organised and run from four major offices across the County. To a certain extent, the grouping in an individual office, certainly in the early years, will be opportunistic
31. The submission identified potential gains in working between the Council and its partners: public bodies such as PCT, Police, Probation and Fire, and also the voluntary and business sectors. The new partnership arrangements which are under development, at the levels of County and community area, should help to achieve this. The new Local Area Agreement, and the reduced number of national indicators, will provide a stronger focus for collaboration. Over the medium term, the Council should be working with other public bodies to align planning cycles and resources through Joint Investment Plans to achieve the most important goals in the Local Area Agreement.
32. Joint commissioning will be a key part of this process. This is already in place, notably between the County Council and the PCT in health and social care for children and adults (including mental health and drug treatment); there is scope for

joint commissioning to be extended and this will be a key skill for managers in the new Council.

33. Services may be commissioned by the new Council from the private sector, the voluntary sector, or from other public bodies. Service managers will follow a standard process of commissioning and procurement in order to identify the best option and best provider. Commissioning and procuring services locally, provided the test of best value is met, can stimulate and support the local business sector, and the capacity of the local voluntary sector – particularly with the increased purchasing power of the new Council. Also some Town and Parish Councils will want to consider whether they wish to put themselves forward to provide services commissioned (and funded) by the new Council. Consultation with local Councils is under way.

(Of course the new Council will continue to provide a range of important services itself, where that satisfies the test of best value; and this in turn means that the Council will require the capacity for direct management of services, as well as commissioning and procurement from others.)

(c) Building social capital and trust in local government

34. Strong and resilient communities lie at the heart of the submission to create One Council for Wiltshire. The ways in which the Council provides or commissions services can help to build social capital in local communities.
35. The role of local voluntary organisations in providing services was noted above. There are many examples already where people in local communities are prepared to add their effort to the work of the public sector, provided they feel valued and not used: activities from maintaining local footpaths to community safety and local transport.
36. Services for specific groups within a community can help to integrate these groups or can have the unintended consequence of separating them from the rest of the community. Hence the County Council is making it a priority to create opportunities for people with learning disabilities within rather than separate from their local communities. Our Youth Development Service has placed a priority on the civic engagement of young people, developing ways in which their voice and their viewpoint can be heard in local communities. The empowerment of housing tenants is a further example.
37. By planning and building services in ways which build local networks and involvement, the new Council can contribute to its goal of building social capital and trust in local government.
38. The role of Community Boards and Partnerships will be crucial – the latter providing a forum where the various interests and groups in the community can come together to identify common concerns, priorities and actions, the former providing the means for the Council (and other public bodies) to manage the response of the public services to these issues. Public services would contribute in a co-ordinated and deliberate way to the concerns of the local community, alongside the contributions of the business sector, voluntary organisations and other community groups.
39. During 2008 the development phase in selected community areas will enable us to test the operation of Community Boards, including participatory budgeting, and ‘State

of the Area' debates. These initiatives will build upon previous success, reflected in the Beacon award.

40. Community Boards will require support by officers. The costings in the submission assumed that the full-time equivalent of the staff currently deployed by County and District Councils in support of existing area partnerships/committees and District LSPs would be deployed for this purpose: approximately 16 FTE in total. This support would cover the formal administration of the Boards, as well as liaison between Councillors, services, and other local interests.
41. In addition, Boards will require some more senior support and advice: for example, to orchestrate collaboration between local services, and to liaise between the Board and the County in matters of policy, performance and budget. This support can be provided in various ways. The administrative and policy support for each Board will be managed by the Head of Service. The Directorate would maintain an overview of the operation of the Boards and would be expected to strengthen links with individual areas. Each member of the Cabinet would have responsibility for liaising with Boards in specific areas, providing a link between Councillors in each community area and the Cabinet. (It is not envisaged that Cabinet Members would be formal members of the Boards other than in their capacity as local Members).

How will we do this?

42. Bringing about change in an organisation involves much more than a change in its formal structure. Indeed there are advantages in keeping the structure as simple and flexible as possible to create the space for wider changes.
43. Other factors besides structure and organisation which can help the Council to achieve its goals include the following:
 - All the research of local government performance over the past decade has emphasized the importance of strong political and managerial leadership. The structure of the new Council must embody clear responsibilities corporately and individually for Directors, linked to the responsibilities to the new Cabinet.
 - Performance management throughout the organisation is crucial: clarity about the Council's goals and how each team and individual can contribute to meeting them, active management so that problems are anticipated and tackled before they jeopardize performance, timely reporting of performance against goals and targets. The culture and success of the Council will be shaped by the indicators upon which it chooses to focus. The management of performance in the new Council will be considered further in the second report, for the next meeting. Service redesign using lean principles will generate new service measures related to customer purpose which will strengthen performance management in the new organisation. Effective performance management also requires clear and consistent policy, research and intelligence.
 - Performance management is linked to clear communication throughout the organisation and with its customers and partners. No structure will work effectively unless there is clear open communication across the organisation, reflecting shared commitment to common goals. Fewer levels of management and greater delegation will also help.

- The introduction of the new Business Management Programme across the new Council on the 1st April, 2009 is a massive additional change but one which can drive the integration of services and practices of the five Councils. If the new Council is to reap the benefits of the BMP, it must ensure that throughout the organisation we are prepared to change our practices and procedures, in HR, finance, procurement and subsequently other areas, so as to reflect the design of the BMP. This will require strong corporate leadership, and commitment by staff throughout the Council.
- The new Council will be managing extensive change, designed to transform the organisation and create solid improvement in performance against its goals. So how the change is managed will be crucial. This has several implications for structure.
- First, the structure must embody the capacity necessary in order to manage and lead the changes in a co-ordinated way. Although the formal structure of programme management will develop as we move through the changes, the need for a Programme Office and capacity throughout the organisation will remain.
- Furthermore, the case for radical changes to the formal structure must be assessed in the context of the other changes underway. The greater the change in the new Council from the present structures of County and District Councils, the greater the dynamic for change. On the other hand, “cross-cutting” responsibilities involve a ‘matrix’ style of management, and this is complicated to understand and to operate. It is more difficult to state precisely who is responsible for, e.g. customer care in a specific service. Before choosing this type of structure, therefore, it is worth considering whether the goals which are in question could be achieved in other ways, without creating a complex structure.
- The greater the change to structure the greater the impact on individuals, from Directors throughout the organisation; and the greater the impact upon the processes which underpin the structure. The budget is organised around the departmental structure: the greater the change in organisational structure, the greater the changes which will be necessary in the structure of the accounts for 1st April, 2009. Similarly the preparation for the Business Management Programme (BMP), notably during the period April-June 2008, will require a clear understanding of the new organisational structure and how it will operate.
- These factors favour a less radical change in organisational structure on 1st April, 2009 so as to reduce the risks associated with the changes on that date; more radical changes could be made in the light of the experience of the first eighteen months or so of the new Council, on the advice of the new Council’s Chief Executive.
- The responsibilities and accountabilities of Directors, Heads of Service and Service Managers should reflect the Council’s goals and the principal activities which they should undertake. This implies an emphasis upon corporate leadership across the organisation at a local as well as County level; responsibility for supporting Community Boards and managing the relationship between their activities and the County policies and objectives; responsibility for the quality of customer service across the Council and not simply in individual services; and a responsibility for assessing the impact

upon local communities, their cohesion and social capital, of the Council's policies and practices. The next report will consider these accountabilities in more detail.

Organisation and Structure: Statutory Requirements

44. The organisation of services within the new Council must reflect statutory requirements. Director of Children's Services is a statutory requirement. This is a very wide responsibility. It constitutes (including schools) 56% of the gross budget of the current County Council. The corresponding percentage in the new Council will be approximately 42% of the budget.
45. A Director of Adult Social Services is also a statutory requirement. Adult Care Services constitute 23% of the budget and of the current County Council, (and approximately 17% of the new one). This post is particularly complex because of the relationships with the NHS and with voluntary and users' groups. A few Councils have created joint posts with PCTs, but the governance issues associated with these posts are fraught.
46. There are two other statutory posts (in addition to that of Head of the Paid Service) namely, Monitoring Officer and Section 151 Financial Officer. In the County Council, these postholders are located within the Department of Resources, whose Director is responsible for most central and support services (the principal exception being Property Services).
47. The other (very important) services can be grouped and classified in various ways. The Audit Commission's CPA has 'blocks' for 'environmental' services and 'cultural' services. The Government's original LAA blocks included 'economic development and enterprise' and 'safer and stronger' communities. Economic Development will become even more significant as a result of the Government's proposal to lay a specific statutory responsibility upon Councils for this function. Community safety is consistently a priority for the public in Wiltshire, as elsewhere (although the issue is often portrayed as essentially one for the Police). Public Health is an important responsibility of both the PCT and the Council, reflected in the joint appointment of a Director of Public Health in 2007.

Summary

48. This report has placed the decisions which the Implementation Executive will take about structure in the context of the overall goals and challenges facing the new Council. The main points can be summarised as follows:
 - The responsibilities of Directors and other managers in the new Council must be defined to reflect and emphasize the goals of new Council
 - These goals will require improved working with other public bodies within the framework of the Local Area Agreement, and strong managerial leadership at County and local levels
 - They will require alignment and integration of District and County services, organised to reflect 'lean' principles; consistent customer focus and easier access; effective commissioning and procurement (including joint commissioning with partners) in the context of greater customer choice and 'personalisation'

- And the goals will require positive relations with the voluntary sector and policies which encourage local voluntary effort; delegation to the community area where Councillors and local managers will shape local services
- The structure will require effective management of public offices and access points (including the major offices in Salisbury, Chippenham, Devizes and Trowbridge) in the context of line management by each service Director of his/her services throughout the County
- The structure of the new Council is one of many factors which will influence the Council's success in meeting its goals: others include performance management, leadership, communication, the new Business Management Programme, and the effective management of change
- A radical new structure may be attractive, reflecting the radical ambitions of the new Council, but in practice this may distract and delay change rather than accelerating it
- The Council needs a structure which will work on day one. The Council can review that structure in due course in the light of experience and on the advice of its Chief Executive
- The statutory framework for Directors' posts requires Directors of Children's Services and Adult Social Services
- There are various practicable arrangements to combine the other service responsibilities of the new Council. These will be considered further in the next report
- The new structure must embody sufficient capacity to support the programme of change while achieving savings against current costs

Timescale and Next Steps

49. The Implementation Executive will be able to consider options for a specific departmental structure at its next meeting. For that same meeting, I shall commission HR advice on the procedure to make appointments to senior posts in that structure. It is very important that we provide clarity about the new structure and then make appointments as quickly as possible.

Recommendations

50. The Implementation Executive is invited to consider the analysis in this report and summarised in paragraph 48 above, so that a further report can be prepared for its next meeting with options and recommendations for a specific departmental structure.

KEITH ROBINSON
Chief Executive