

Management Reporting Arrangements

City of Edinburgh Council

22 December 2011

1 Purpose of report

- 1.1 The purpose of this report is to provide further information for elected members on proposed adjustments to some of the Council's management reporting arrangements.

2 Background

- 2.1 On 6 December 2011, the Policy and Strategy Committee considered proposals for adjustments to management reporting arrangements and agreed that the process to implement the re-alignments be continued within the specified timescales. The Committee also requested further information on the rationale behind the proposals.
- 2.2 The current service arrangements formed part of the "Council Review 2007" programme that was developed between 2003 and 2008. This defined the council's role, strategic direction and service delivery to meet the challenges of the changing city environment and recognised the importance of the relationship with customers, citizens and partners. The programme initiated a change in culture within the organisation and created the new service areas of Health & Social Care, Children & Families and Services for Communities.
- 2.3 The current social and economic landscape has shifted dramatically during the intervening period and there are significant current and future challenges to be met. This requires making best use of financial resources available, focusing resources on service user priority needs, working closely with partners and local communities, developing a flexible, skilled and motivated workforce and strengthening overall accountability and ability to deliver effectively.
- 2.4 The audit of Best Value and Community Planning published in February 2007 recognised that there must be a focus on key policy objectives and the needs of service users and communities, driven by a desire to achieve the highest possible standards in service delivery. The report further recognised that this required a culture where areas in need of improvement are identified, openly discussed and where service performance is constructively challenged. To ensure continuing improvement, the review of performance must be an ongoing

feature of our work and opportunities for improvement taken in the wider interests of the city. The revised management arrangements are designed to strengthen the Council's delivery and accountability capacities.

- 2.5 The need for improvements in governance arrangements have been reported to Council in June 2011 and more recently to Policy and Strategy Committee on 6th December. These reports identified areas where performance should be improved and summarised organisational arrangements to facilitate the better management of services and delivery of outcomes.
- 2.6 The current proposals are designed to bring about improvements in the synergy between service areas, to further erode the tendency for silo working, to strengthen our corporate approach through the more effective use of business intelligence and a focus on the development of a strong and sustainable economy and local communities.

3 Key Principles – Service Re-alignment

- 3.1 The Corporate Management Team (CMT) is focusing on delivering the outcomes identified by the Council to meet the needs of service users and the city as a whole with particular emphasis on positive destinations for children and young people, supporting vulnerable people, the economy, communities and effective organisational management. Recognising the current financial constraints, service arrangements require to be designed to enable services to be more flexible and responsive to service user needs and changing circumstances.
- 3.2 The need for improvement in the way that services are delivered has been identified across a range of services. Furthermore, a fragmented approach and multiplicity of service strategies present a confusing picture to service users and partners. CMT has identified that key service area relationships can be improved by effecting more streamlined management reporting arrangements.
- 3.3 In order that there are clear and defined linkages between service outcomes, service delivery and performance the revised management arrangements will align the service areas across Children and Families, Health and Social Care, Services for Communities, Economic Development and Corporate Governance.
- 3.4 An outline of the arrangements is provided below with full details and synergies provided in the main report:
 - Planning and Building Standards; Transport, Fleet/Corporate Transport Unit; Corporate Property; Cleaning and Catering STOs; Registration and Non Legal Licensing functions re-align to Services for Communities.
 - Business Continuity and Public Safety; Performance and Quality; Sustainability; Research and Information functions re-align to Corporate Governance.
 - Health and Social Strategy re-aligns to Health and Social Care.
 - Economic Development is strengthened with a renewed focus on external business support; inward investment and trade development;

employability and job creation; business development; links with external economic development agencies and marketing; and EDI.

4 Main report

Corporate Governance

- 4.1 The central services of the Council form the Corporate Governance Directorate which is designed to ensure a strategic and focused role. In line with this approach it is proposed that city services, including significant trading operations, will be managed in Services for Communities and corporate functions such as business intelligence and business continuity will be re-aligned to Corporate Governance.
- 4.2 This approach will strengthen corporate capacity in key areas and develop critical areas, such as business intelligence and performance management, to support the Council's strategic direction and emerging outcomes.
- 4.3 The Director of Corporate Governance is continuing a comprehensive review of the administrative governance arrangements of the Council in line with the recommendations and areas for improvement highlighted within the reports and as agreed by Council in June 2011. This includes an examination of decision making, scrutiny, risk and financial management arrangements. The outcome will assist in addressing the recommendations in a number of reports in respect of the governance and internal management.

Business Intelligence Service

- 4.4 A number of staff council-wide are engaged in a range of research and information, strategy and performance work. It is proposed that the existing Policy, Strategy and Performance Division within Corporate Governance will be increased by including certain staff drawn from City Development, Services for Communities and other parts of Corporate Governance. The new service aims to deliver a corporate approach and pooling of staff in a remodelled service within the Policy and Public Affairs Division. Operational research and information activities will not generally fall within the remit of this service and will remain in specialist areas; however support and expertise will be provided and shared across the council.
- 4.5 The new Business Intelligence Service will focus on the following activities:
 - business intelligence and information management;
 - corporate policy and strategy;
 - Best Value and quality improvement; and
 - research and statistical analysis.
- 4.6 These activities underpin both the corporate and strategic requirements of the Council, as well as elected members and key business, public service and community partners. Ensuring that the Council has a better understanding of community variables, business, people and place factors, will improve

resilience and provide insight to address social and economic challenges more effectively.

Sustainable Development

- 4.7 The Council is committed to developing Edinburgh sustainably and the effective alignment of social, economic and environmental activities in the city will better support the delivery of a sustainable Edinburgh.
- 4.8 Sustainable Edinburgh 2020 forms the Council's framework for a sustainable city to 2020. This provides the effective basis for actions by the Council, partner agencies and the wider business communities to ensure that all opportunities are taken to deliver services and enhance the city in keeping with the existing legislative and policy structures.

Business Continuity

- 4.9 The Council's Business Continuity function aims to ensure compliance with the Civil Contingencies Act, increase the Council's resilience, prioritise essential services across the Council, develop business contingency strategy and policy and develop a consistent, integrated suite of business continuity plans for the Council. The Council was awarded corporate registration for BS25999, making it the first major authority in the UK to gain this distinction.
- 4.10 The Council's Corporate Business Continuity Plan provides a strategic level response across the Council and links with key public partner organisations. The lead officers for the Council when business continuity or emergency planning procedures require to be implemented are the Chief Executive and Director of Corporate Governance, working closely with partner organisations such as the NHS, Police and the Fire and Rescue Services.
- 4.11 This service will be managed within Corporate Governance, closely aligned with risk management and this will ensure an effective working relationship between lead officers and partners in a critical area. All members of the extended CMT will have the opportunity to receive refresher training on the Council's responsibilities and duties under the Civil Contingencies Act as a Category One Responder and the Council's own business continuity plans.

Public Safety

- 4.12 Culture and Sport services provide corporate leadership for all major events where the Council is either the organiser or the lead public body with responsibility for ensuring successful management and public safety and the disruption to the city's normal business is minimised.
- 4.13 The Council's approach of inter-service and inter-agency working involving the Events Planning and Operations Group is held in high regard by local authorities, emergency services and event planners across the UK. The benefits of the approach have been demonstrated in the successful management of major events such as: the state visit of Pope Benedict XVI, the Royal Wedding, National Armed Forces Day and Edinburgh's Hogmanay.

- 4.14 The proposed movement of public safety responsibilities and alignment with the Events Team is in line with UK guidance and best practice that requires reporting lines must be both transparent and clear.

Services for Communities

- 4.15 This service area has a clear focus on activities that make a difference to communities, neighbourhoods and service users across the city based on the high level priorities and outcomes of being clean, green, safe, well housed, well maintained, well informed and well engaged.
- 4.16 A range of city services are being brought together ensuring the further development and delivery of a streamlined range of services for users, communities and neighbourhoods. Further opportunities will be taken to consolidate performance in key areas and proposals to develop a one-stop shop type of approach for statutory functions such as planning and licensing will be brought to elected members for consideration in due course. Other services are already developing 'one stop shop' type arrangements in areas of the city and the new Hub at Drumbrae is one example of how that approach can be developed across council services and with other partner agencies.

Transport Planning and Management

- 4.17 There is a further range of benefits that can be obtained by the integration of Transport and Environment services in key areas such as air quality, flood prevention and response, and strategic asset management.
- 4.18 The Council Review 2007 split the transport function between City Development and Services for Communities. The intention was to improve customer relationships and balance the strong professional /technical culture with the needs of customers and other key stakeholders. To some extent this has been successful and the Roads Service within Services for Communities has demonstrated progress in improving the condition of the network and also in increasing levels of resident satisfaction and stakeholder engagement.
- 4.19 Following the appointment of the Head of Transport in 2008, further improvements have been made or are underway in terms of transport strategy. The "Transport 2030 Vision" was developed to establish a clear long-term vision for the city for the next 20 years. The framework for the development and delivery of the Council's transport plans and programmes are set out in the Local Transport Strategy 2012-17.
- 4.20 The split of functions across two directorates unhelpfully divides the strategic and operational and is also confusing for service users. For example, although the split was broadly intended to be "strategic" (City Development) and "operational" (Services for Communities), certain operational functions such as bridges and flood prevention work and traffic signals remained with City Development. There are now opportunities to build on the progress made in both service areas and create an integrated service which blends both the technical and customer-focused approach.

Corporate Transport Unit and Fleet Services

- 4.21 These activities will be aligned to the Environment service within Services for Communities, in line with the model proposed by the in-house team for the PSC in the ABM programme which was agreed by Council in October 2011. Integration with the public transport services will ensure a more holistic and responsive travel planning services to be developed.
- 4.22 The fleet re-alignment and co-location will provide a genuinely integrated transport service rather than the current fragmented and geographically separate fleet management and maintenance functions.
- 4.23 The service will be re-shaped to operate on a single fleet basis. This approach should allow a number of under used vehicles to be released by the Council to achieve savings. The revised service will be more integral to the functions of the Council and hence will cease to be designated as a Significant Trading Operation. Improvements in line with Best Value will be achieved, for example by charging for parts and repairs at cost price rather than the current cost plus approach.

Planning and Building Standards

- 4.24 The Planning and Building Standards service already performs well compared to other councils in terms of application processing efficiency. Its role in supporting economic growth has developed in recent years and the intended management re-alignment will create a single point of contact for developers with the Council. Importantly, the changed arrangements will ensure a more clearly defined separation between the governance of the quasi judicial planning function from the development functions of the strengthened Economic Development service.
- 4.25 Many of the services that are involved in assessing planning applications are already managed by Services for Communities. The intended realignment of Planning and Building Control will ensure that a streamlined planning service for developers will also provide closer links to local neighbourhoods and communities in matters such as strategic development and operational activities in relation to the public realm and streetscape, open space and affordable housing.

Licensing

- 4.26 Licensing services are currently split across service areas with the application, payment, processing and decision making aspects in Corporate Governance, and consultation, enforcement and inspection functions in Services for Communities. Historically, this separation has been justified to ensure appropriate communication and liaison with elected members and to retain links to Solicitors within Legal and Administrative Services who have traditionally led and managed aspects of the service.
- 4.27 The legislative basis for licensing responsibilities has changed significantly since 2005, reflecting the emerging social context, particularly the implementation of the provisions of the Licensing (Scotland) Act 2005, Housing

(Scotland) Act 2006 and the European Services Directive. This has led to a greater focus on accessibility, prevention, inspection and enforcement.

- 4.28 There is now an opportunity to create a streamlined and integrated service alongside other community services, with an increasing emphasis on self-service application options. It is expected that the service will be better integrated with activities such as planning and building control and with partners including the police and fire and rescue services. Additionally, greater engagement with communities will be developed.
- 4.29 Legal and committee support will continue to be provided through Corporate Governance, including responsibility for the Regulatory Committee and Licensing Board. Appropriate arrangements will be in place to ensure continued close working and communication with elected members who are key to a number of critical aspects of the licensing application and approval processes.

Facilities Management Services: Corporate Property, Catering and Cleaning

- 4.30 The re-alignment of Corporate Property, Catering and Cleaning into Services for Communities will be structured in 3 phases.
- 4.31 In the immediate future and taking into account that there is an ongoing police investigation, the emphasis will be to strengthen management arrangements for Corporate Property and put in place new control procedures recognising the findings of the on-going investigation. An immediate synergy will be to use Edinburgh Building Services to deliver response repair services for Council buildings.
- 4.32 In parallel, FM services across the Council, including Catering and Cleaning, will be re-aligned to create an integrated model to take forward either the outsourced or in-house model, depending on the Council's decision on this matter.
- 4.33 The third stage will create an integrated property management and development service across housing and non-housing services.

Registration

- 4.34 The Registration Service operates from 4 locations in Edinburgh to register all births, deaths and marriages and in partnership with the Home Office and UK Border Agency will manage the National Identity Checking Service and Settlement Checking Service from January 2012.
- 4.35 The service is currently split between Services for Communities and Corporate Governance following the successful initiative to promote wider community use of the office at South Queensferry. This initiative will form the model for greater links to communities and more effective use of community assets.

Economic Development

- 4.36 A key priority for the city is to strengthen the Economic Development service to continue to face and meet the challenges of the current economic climate, building on successes achieved between 2009 and 2012. There is a need to have services clearly focusing on supporting businesses in Edinburgh, including the social enterprise sector to ensure a sustainable local economy that creates lasting employment opportunities.
- 4.37 Following an extensive review of the city economy a refreshed approach with an emphasis on economic development is recommended in the wake of an unprecedented global downturn. The focus of the strategy is on creating jobs through sustainable investment. The proposed arrangements reflect a citywide acceptance that a thriving economy is essential to the wellbeing of Edinburgh residents and the wider economy of the Lothians and Scotland. The changes also reflect the increasing body of evidence that investment in the economy, and the provision of local and sustainable jobs helps relieve the pressure on the Council and other agencies to provide supportive services.
- 4.38 The future role of the Economic Development Service will be outward facing and will include collaboration with other key agencies and Council services to capture the full economic benefits and contribution of the Council's wider work. The feedback from the business community is all positive regarding the intention to support a greater and uninterrupted focus on the economy.

Health and Social Care

Health and Social Strategy

- 4.39 The Health and Social Strategy team in Corporate Governance develop corporate and partnership strategies in areas such as health, health inequalities, social justice and achieving a City for All Ages with links to the Edinburgh Compact. The key messages from A City for All Ages have been embedded in a range of services within the both the Council and the community planning work undertaken by the Edinburgh Partnership.
- 4.40 It is proposed the team will now transfer to Health and Social Care, with the service area operational direction and better integration with front line services both in the Council and with NHS Lothian.

5 Management Reporting Arrangements and Consultation

- 5.1 The adjustments to management reporting arrangements reflect the Chief Executive's responsibility to ensure suitable operational arrangements for the effective delivery of services in accordance with the Council's priority outcomes and strategic direction. The Chief Executive as Head of Paid Service is accountable for the effective management of the organisation and with CMT all are held to account by elected members for the effective discharge of these duties.
- 5.2 The Council's Organisational Review Procedure allows for changes in management reporting lines, below Service Director, to take place through

appropriate local consultation arrangements. The proposed changes have been shared with relevant convenors. The changes have also been shared with the administration and opposition groups. They have also been discussed with Trade Unions, Service Directors and Heads of Service, receiving a generally positive response from staff. The opportunity to move to a more coherent approach to performance and quality across and throughout the Council has been welcomed. Staff feedback supports the intention to have a strengthened service at the core, within Corporate Governance, covering performance, quality, research and information.

- 5.3 It is proposed to utilise existing groups within the Council, who can carry out detailed analysis of service and service user requirements to help support the development of policy in the future. The recently formed Performance and Quality Steering Group is one such group.

6 Conclusion

- 6.1 The adjustments to management arrangements are designed to ensure the suitable and effective operational delivery of services in accordance with the Council's strategic direction and to meet the challenges ahead.
- 6.2 In accordance with good management practice it is proposed that the implementation of the new arrangements be reviewed and evaluated with a report coming to Policy and Strategy Committee in around six months.

7 Financial Implications

- 7.1 The changes described in this report will improve productivity and service delivery. There are no adverse financial implications resulting from implementing these changes.

8 Environmental & Equalities Impact

- 8.1 There are no adverse equalities or environmental impacts.

9 Recommendations

- 9.1 It is recommended that the Council:
- a) accepts the recommendations in the report; and
 - b) agrees to receive a further report in June 2012 on the effectiveness of the changes described in this report.

Appendices	None
Contact/tel/Email	Sue Bruce, Chief Executive; 0131 469 3002; sue.bruce@edinburgh.gov.uk
Wards affected	All
Single Outcome Agreement	All
Background Papers	As cited in the report