



**Executive
13 June 2011**

Report from the Chief Executive

Rising to the challenges: re-shaping Brent Council to deliver the new Administration's priorities - further structural proposals

1. INTRODUCTION

- 1.1 In response to a number of significant financial, policy and organisational challenges, I set out proposals for a major restructuring of the council in my report 'Rising to the challenges: reshaping Brent Council to deliver the new Administration's priorities', with the overall aim of ensuring the council was equipped to address those challenges and meet the policy ambitions of the then new Administration. The Executive considered and agreed that report in July 2010, including recommendations to:
- delete the Business Transformation department with the transfer of most of its functions to Finance and Corporate Services
 - create the new Regeneration and Major Projects department, combining regeneration, planning and strategic transport, property, building control, affordable housing, schools capital projects, and responsibility for major projects, including the new Civic Centre project
 - refocus and realign functions between other departments to create a more effective alignment of those functions
- 1.2 I indicated at the time that further structural changes would probably be required, given the still emerging policy agenda of the Coalition Government, new legislation and the continuing pressures on local government funding. Areas identified for possible further consideration included the split between services to children and services to adults, the council's role in the management of Council-owned housing stock following completion of the Decent Homes programme and the proposed changes to the health service.
- 1.3 The restructuring proposals were implemented, with the new Directors and senior management teams largely in place and the departments up and running from October 2010. Following this, Directors reviewed their departmental structures and management arrangements below assistant director level, with

the aim of further streamlining those structures and achieving further savings. Implementation of these departmental restructurings will be completed by the end of September 2011.

- 1.4 In the intervening months, the Government's policy priorities have become clearer, as has the funding position for local government, which is more severe than had been predicted. In conjunction with the retirement of the Director of Housing and Community Care, it has been necessary to accelerate consideration and implementation of further structural changes. This report describes those changes implemented through the Chief Executive's delegated powers, seeks the Executive's agreement to staffing changes requiring its approval and identifies work underway to create new delivery models in response to further key changes in the evolving public sector landscape that are likely to require further structural changes.

2. RECOMMENDATIONS

The Executive is recommended to:

- 2.1 note the continuing national policy developments affecting local government and the wider public sector
- 2.2 agree the deletion of the Director of Housing and Community Care post for the reasons set out in paragraphs 3.6 to 3.11
- 2.3 agree that the Assistant Director, Community Care assume the role of statutory Director of Adult Social Services
- 2.4 note the transfer of the housing function including the client responsibility for Brent Housing Partnership to the Regeneration and Major Projects department, with effect from 1 June 2011
- 2.5 note the work underway in developing a new integrated delivery model for adult social care and health and that a report with recommendations will come to the Executive in the autumn 2011

3. DETAIL

National Developments

- 3.1 It is now clear that the Government is pursuing a radical agenda in relation to the public sector, with many of the changes that directly affect local government currently going through Parliament. In conjunction with severe cuts in public spending, this is one of the most challenging periods local government has ever experienced. The announcement of the Comprehensive Spending Review in October 2010 followed by the more detailed settlement information for each local authority clarified Brent's financial position for the next three years.
- 3.2 The council has successfully met the unprecedented requirement to achieve £42 million savings in 2011/2012, which has included sizeable reductions in the workforce. However the council will need to find further substantial savings in the next three years and must therefore continue to consider every opportunity to

reduce management and staffing costs, increase income and make savings through procurement, better use of property and assets, and further service efficiencies.

- 3.3 In terms of national policy developments, two pieces of legislation currently going through Parliament have particularly significant implications for local authorities. The first covers the proposals to introduce radical changes in the National Health Service, including the proposal to introduce GP commissioning and the transfer of public health to local government, both of which offer opportunities for rethinking current local authority services and activities and in particular the potential for integrating social care and health services.
- 3.4 The second is the Localism Bill with wide ranging proposals for local government, including the abolition of the housing revenue account subsidy system and its replacement with a self-financing regime. Coupled with changes in homelessness duties, allocations and tenancies, there will be significant changes in the way housing functions are organised, funded, managed and delivered in the future.
- 3.5 It should also be noted that the recently published final report from the Munro review of child protection has come out strongly against adding additional responsibilities to the portfolio of Directors of Children's Services that are not directly related to children. While the Government has not made clear what recommendations from the report will be implemented, if this proposal is supported it would rule out the re-creation of a social services department responsible for both adults and children's social care.

Changes to the Housing and Community Care Department

- 3.6 All of these changes will have a particularly significant impact on housing and adult social care, which would in any case have required a review of current structures and arrangements. With the recent retirement of the Director of Housing and Community Care this review has become urgent, with an immediate requirement to consider whether to retain the Director post.
- 3.7 For a number of reasons, the Chief Executive is recommending that this post is deleted. The financial climate requires that all costs are scrutinised constantly and reduced wherever possible. In conjunction with the substantial legislative changes affecting housing and adult social care functions, and the opportunities this offers to realign and reconfigure those functions, there is no longer a requirement for a housing and community care department and therefore no longer a requirement for a Director post. The savings from the deletion of this post are set out in the financial section of this report. This will reduce the Corporate Management Team from nine members to eight.
- 3.8 **Relocating Housing Services** The development of public sector housing is an important feature of wider regeneration planning and programmes, which is why the housing regeneration, affordable housing development and housing strategy functions are already now located in the Regeneration and Major Projects department created in last years council-wide restructuring. With the proposed legislative changes in housing offering potential to increase investment in new build and existing housing stock, a further consolidation of regeneration and

housing will ensure the council is positioned to take full advantage of these opportunities. Following discussions with the relevant senior managers, I have taken the decision that the housing service and the client function in relation to Brent Housing Partnership should transfer to the Regeneration and Major Projects department, reporting to the Director of Regeneration and Major Projects. This transfer took place on the 1 June this year.

- 3.9 **Adult Social Care** Both the health and adult social care sectors are experiencing increasing pressure in terms of demand, which will continue to rise over the coming years, and reducing resources. It has long been understood that better integration across the sectors is essential if these pressures are to be managed more effectively, but progress in integration has been limited, despite many years of national and local initiatives and policies. The move to GP commissioning and the transfer of public health to local authorities provides a significant opportunity, as well as challenges, in finally creating a fully integrated set of services that can deliver efficiencies and improved services for customers.
- 3.10 Given this context, the council, the PCT and lead GPs have recently agreed in principle to work towards integration of local authority and primary care services for older people, learning disabilities, physical disabilities and mental health services. Officers have started work on options for integration, which will be reported to the Executive in autumn 2011.
- 3.11 With the break up of the Housing and Community Care department, the Assistant Director, Community Care is now reporting to the Chief Executive and will do so until integration is progressed.

The Role of the statutory Director for Adult Social Services (DASS)

- 3.12 While the Executive has the authority to delete the Director of Housing and Community Care post, it must ensure that the Director of Adult Social Services role is retained, in line with the statutory requirement. The statutory role includes overall strategic responsibility for the planning, commissioning and delivery of social services for all adult client groups, with specific responsibilities for: professional leadership; leading the implementation of standards; managing cultural change; promoting local access and ownership and driving partnership working; delivering an integrated whole systems approach to supporting communities; and promoting social inclusion and wellbeing.
- 3.13 The Chief Executive recommends that this role should be undertaken by the Assistant Director, Community Care up to the start of any new arrangements for adult social care. At this point the council will need to consider again how it ensures the requirements of the statutory role are met.

Other Changes – Leading Developments with the Voluntary sector

- 3.14 In the past the council's approach to the voluntary sector has been fragmented and lacking in a strategic approach. The introduction of new rights for the voluntary sector in the Localism Bill, the shifting mixed market of service provision, current public sector cuts and an end to BrAVA's operating in the borough make it critical that this is addressed.

- 3.15 I have therefore agreed that the lead responsibility for working with the voluntary sector should transfer to the Director of Strategy, Partnerships and Improvement. This will ensure a more consistent relationship with the voluntary sector, a better fit between voluntary and public sector service provision and a clearer focus on outcomes. The role will also include responsibility for the management of the council's grant aid programme.

4. Financial Implications

- 4.1 The deletion of one board-level Director post will generate part year savings of £174k in 2011-12 and full year savings of £190k from 2012-13 onwards. As the Director of Housing and Community Care's post was jointly funded by the Council's General Fund and Housing Revenue Account (HRA) , these total savings will need to be split, with £87k allocated each to the General Fund and HRA in 2011-12 and £95k to each source in 2012-13. These savings have not been included in the Council's budget for 2011-12.

5. Legal Implications

- 5.1 The constitution requires that the decision to appoint to the Director of Adult Social Services role is an Executive Decision. Similarly, the decision to delete a Director level post is also one that requires an Executive Decision. In the current circumstances both decisions were initially taken by the Chief Executive who is entitled to take such decisions in accordance with his powers under the Constitution. Both decisions were taken to ensure that continuity was maintained in both key roles and as such come within the ambit of the Chief Executive's urgency powers.

6. Diversity Implications

There are no direct diversity implications.

7. Staffing/accommodation implications

None at this stage.

Background Papers

'Rising to the challenges: reshaping Brent Council to deliver the new Administration's priorities' Chief Executive's report to the Executive, July 2010

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