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<b>Report To:</b>	<b>Inverclyde Council</b>	<b>Date:</b>	<b>1 December 2022</b>
<b>Report By:</b>	<b>Chief Executive</b>	<b>Report No:</b>	<b>IC/02/22/LL</b>
<b>Contact Officer:</b>	<b>Louise Long</b>	<b>Contact No:</b>	<b>01475 712701</b>
<b>Subject:</b>	<b>Management Structure</b>		

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## **1.0 PURPOSE AND SUMMARY**

- 1.1  For Decision  For Information/Noting
- 1.2 The purpose of this report is to seek the Council's approval for a new management structure. The interim management structure was last considered by the Council in October 2021 which agreed that the new permanent structure would be brought forward in Autumn 2022.
- 1.3 Once fully in place the new management structure aims to bring stability, create resilience and support the delivery of the Council's ambitions over the period of the current Council whilst taking account of the current significant financial challenges. It is proposed that there are three phases as follows; Phase 1, to stabilise the Corporate Management Team structure, Phase 2, to factor in any impact of the current review of the Council's shared services arrangements with West Dunbartonshire Council and the 2023/25 Budget setting, and in Phase 3 to factor in the implications of the proposed National Care Service.
- 1.4 This report recommends a reduction in the statutory allowance for two chief officer posts to bring it in line with other local authorities.
- 1.5 The Council's key governance documents will need updated to reflect the proposed management restructure, and this would take place following the Council's consideration of this report.

## **2.0 RECOMMENDATIONS**

It is recommended that the Council agrees as follows:

- 2.1 To approve Phase 1 of the management structure with the focus on the Corporate Management Team, in line with paragraphs 4.2 to 4.7 of this report.
- 2.2 To agree to commence the recruitment of the Director of Environment & Regeneration on a permanent basis, in line with paragraph 4.2 of this report.
- 2.3 To agree that the Chief Financial Officer and the Head of Legal & Democratic Services report directly to the Chief Executive from 1 April 2023.
- 2.4 To agree to the reduction of the statutory allowance for the Chief Financial Officer from 1 April 2023 as outlined in paragraph 4.3 of this report and Chief Social Work Officer as outlined in paragraph 4.4 of this report.
- 2.5 To note that further reports with recommendations for the implementation of Phases 2 and 3 of the management restructure, will be brought forward to future meetings of the Council over the

next 18 months, taking into account the impact of the 2023/25 Budget setting, the review of the Council's shared services arrangements with West Dunbartonshire Council and the proposed National Care Service.

- 2.6 To delegate authority to the Head of Legal & Democratic Services, in consultation with other relevant officers, to update the Scheme of Delegation (Officers), Financial Regulations and the Standing Orders relating to Contracts to reflect the decisions of the Council in respect of this report.

**Louise Long**  
**Chief Executive**

### **3.0 BACKGROUND AND CONTEXT**

- 3.1 The Senior Management Structure was reviewed in February 2018. At that time the Council also amended its committee structure. The restructure delivered a reduction of 10 FTE management in senior posts and a saving of £675,000. This also resulted in a significant reduction in senior management capacity. Appendix 1 shows the structure approved at that time. The full management changes were to be phased by March 2020, however, the Covid pandemic occurred, and additional capacity was added by creating an Interim Head of Covid, that arrangement having ceased in March 2022.
- 3.2 In October 2020, the Council agreed that interim management arrangements would be put in place following the retirement of the Corporate Director of Environment, Regeneration & Resources and the Head of Legal & Property Services. The interim structure created two interim service director posts who split the Environment, Regeneration & Resources Directorate remit. As part of the interim arrangements the Council agreed that the Head of Legal and Property role also be split with a new post of Head of Legal & Democratic Services (Monitoring Officer) and a new post, the Interim Head of Property Services. The statutory payment for the Monitoring Officer was reduced from 10.5% to 5% in line with other local authorities. These interim management arrangements are shown as Appendix 2 to this report.
- 3.3 On 28 October 2021 the Council considered and approved the continuation of the existing interim senior management structure until April 2023. Interim directors remain in place and Head of Covid Recovery returned to his substantive post. This was to retain sufficient capacity whilst the Council sought to recover from the Covid-19 pandemic and provide time for greater clarity on the potential impact of the proposed creation of the National Care Service.
- 3.4 Further to the October 2021 meeting, the Council has recruited a permanent Head of Legal & Democratic Services and a new permanent Chief Officer Inverclyde Health & Social Care Partnership (IHSCP), those officers commencing in post in January 2022 and August 2022 respectively. In addition, this period has also seen the retirement of the Council's Chief Social Work Officer in August 2022 which post is currently being recruited to on a permanent basis.
- 3.5 The interim structure has supported the organisation's recovery, however, there have been recruitment difficulties in key posts, and challenges around senior management resource capacity, causing resilience issues. It is important to stabilise the senior management structure and enable recruitment to key posts to take place within Environment & Regeneration. There are significant challenges set out below that will have a major impact on the Council moving forward requiring a review of the current structure and capacity.
- 3.6 Firstly, the financial challenges facing the Council are significant. The Budget setting process in February / March 2023 is likely to mean difficult decisions with a major impact on a number of Council services. There is currently an estimated £16.3 million funding gap that needs to be addressed across 2023/25.
- 3.7 Secondly, the Council is currently in the process of having an independent review conducted on its shared services arrangements with West Dunbartonshire Council. This review, commissioned jointly with West Dunbartonshire Council, has now been concluded, and the consultant's report is being reviewed by both authorities. The outcomes of the review will be reported to the Environment & Regeneration Committee and Shared Services Joint Committee in January 2023, and thereafter to Inverclyde Council in February.
- 3.8 Thirdly, whilst the National Care Service proposals are progressing, there is still a notable lack of clarity on a number of key aspects including what areas from the Council's portfolio of services would be transferred.

## 4.0 PROPOSALS

- 4.1 Given that the impact of the above challenges will not become clear at the same time, the proposal is to consider the management restructure in three phases:

### Phase 1 (From April 2023)

To stabilise the Corporate Management Team structure and allow the necessary recruitment to commence. This will result in reverting back to two Directorates with the Chief Financial Officer and Head of Legal & Democratic Services moving to be line managed by the Chief Executive. The Chief Financial Officer and Head of Legal & Democratic Services have regular contact with the Chief Executive who provides both with regular direction and support. It makes sense that these functions report directly to the Chief Executive. This would result in the alignment of the Director post with the remit of the Environment & Regeneration Committee.

- 4.2 The Director of Environment & Regeneration oversees key regulated services, the Council's assets and the regeneration of the area in addition to being responsible for driving the Net Zero agenda. Regeneration is a priority area of the Council and it is important that the post holder focusses on developing opportunities with UK and Scottish Governments plus private business to attract funding and investment into the area. It is proposed that the annual salary of the post remains on COSLA Chief Officer Spinal Column Point 43 (currently £106,288) and that a recruitment process to fill the post on a permanent basis is commenced immediately. The post will be advertised externally.
- 4.3 The Chief Financial Officer, who has been in post since 2006, has advised that he currently intends to retire at some point in 2024. In order to allow him to fully focus on the unprecedented financial challenges facing the Council in the medium term and to allow for a smooth transition to his replacement, it is proposed to transfer responsibility of ICT and Customer Services to the Head of Legal & Democratic Services. This will allow the Information Governance and Customer Services/Complaints functions to be under a single Head of Service. Associated with this it is proposed to align the statutory uplift of the Chief Financial Officer to that of the Head of Legal & Democratic Services with effect from 1 April 2023.
- 4.4 The Council's Chief Social Work Officer has recently retired. The role is being covered on an interim basis by the Head of Health & Community Care. The IHSCP have commenced the recruitment of a new permanent Head of Children & Families and Criminal Justice (CSWO) and it is proposed that in line with the previous decision in relation to the Head of Legal & Democratic Services and the proposal regarding the Chief Financial Officer in 4.3 above, the post has the statutory officer uplift reduced from 10.5% to 5% on the standard Head of Service salary in line with other local authorities. This is a shared post with Health and with therefore the saving in salary will be shared equally.
- 4.5 The Interim Head of Property Services remains in place to build capacity around modernisation of the Council and Net Zero, funded by the underspend within Environment & Regeneration staffing. This will be reviewed in Phase 2.
- 4.6 Appendix 3 shows the proposed structure from 1 April 2023.
- 4.7 Phase 2 (Report to Council by June 2023)

Phase 2 would review the management structure based on savings taken as part of the 2023/25 Budget plus decisions taken in respect of the above-mentioned review of shared services. The Council has significant financial challenges and, depending on the areas approved for savings, a review of middle management may be required.

An evaluation of the benefits of shared services is ongoing and will recommend the future options for consideration. The evaluation will be reported to the Environment & Regeneration Committee and the Shared Services Joint Committee in January 2023. If there were any changes suggested

these can be considered within this Phase of the management review. It is expected that proposals around Phase 2 will be reported to Council by June 2023.

#### 4.8 Phase 3 (Report to Council by June 2024)

The National Care Service represents potentially the most significant change in the Scottish public sector since local government reorganisation in 1996. The current Bill suggests that Adult Services, Criminal Justice and Children & Families could move to a National Care Service. These proposals are currently going through parliamentary committees. COSLA and professional organisations are making representations that all social care should remain with local authorities. As a minimum, Homelessness, New Scots and Welfare Services are not included, meaning these will certainly return to the Council.

4.9 The implementation of the National Care Service, if approved, is expected to be in 2026 and therefore the implications for the Council and its structures will not be sufficiently known until 2024. It is therefore proposed that this final phase of the restructure is reported to Council by June 2024.

### 5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial	✓		
Legal/Risk		✓	
Human Resources	✓		
Strategic (LOIP/Corporate Plan)	✓		
Equalities & Fairer Scotland Duty		✓	
Children & Young People's Rights & Wellbeing		✓	
Environmental & Sustainability		✓	
Data Protection		✓	

#### 5.2 Finance

There is a small saving arising from the change from the previous Corporate Director salary to that of the Director of Environment & Regeneration plus the reduction in the statutory officer percentage for the 2 posts highlighted in the report. It is proposed that this saving is retained meantime pending any proposals contained in the Phase 2 report in June 2023.

##### One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

##### Annually Recurring Costs / (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
Various	Employee Costs	2023/24	(£28k)		It is proposed to retain this saving pending consideration of Phase 2 of the Management Structure.

### 5.3 Legal/Risk

The proposals will stabilise the management structure by building in resilience and creating capacity thus reducing risks within the Council.

### 5.4 Human Resources

The human resource implication arising from this report are included within it.

### 5.5 Strategic

The recommendations in this report will support the progression of the Council's strategic objectives.

### 5.6 Equalities and Fairer Scotland Duty

#### (a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
✓	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required

#### (b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
✓	NO – Assessed as not relevant under the Fairer Scotland Duty.

### 5.7 Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
✓	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

### 5.8 Environmental/Sustainability

Summarise any environmental / climate change impacts which relate to this report.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
✓	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

## 5.9 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
✓	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

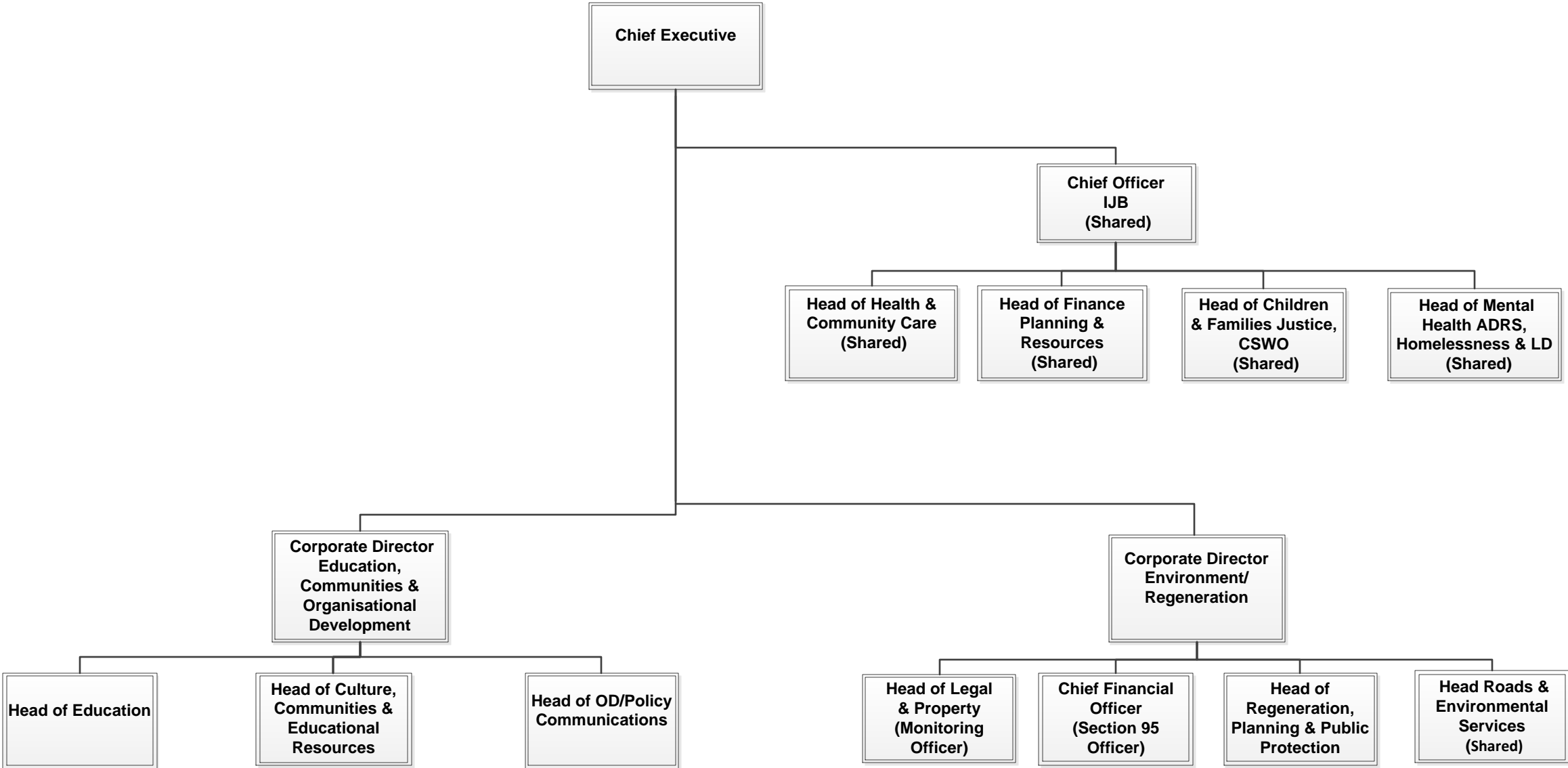
## 6.0 CONSULTATION

6.1 Consultation has taken place with the trades unions and potentially affected individuals.

## 7.0 BACKGROUND PAPERS

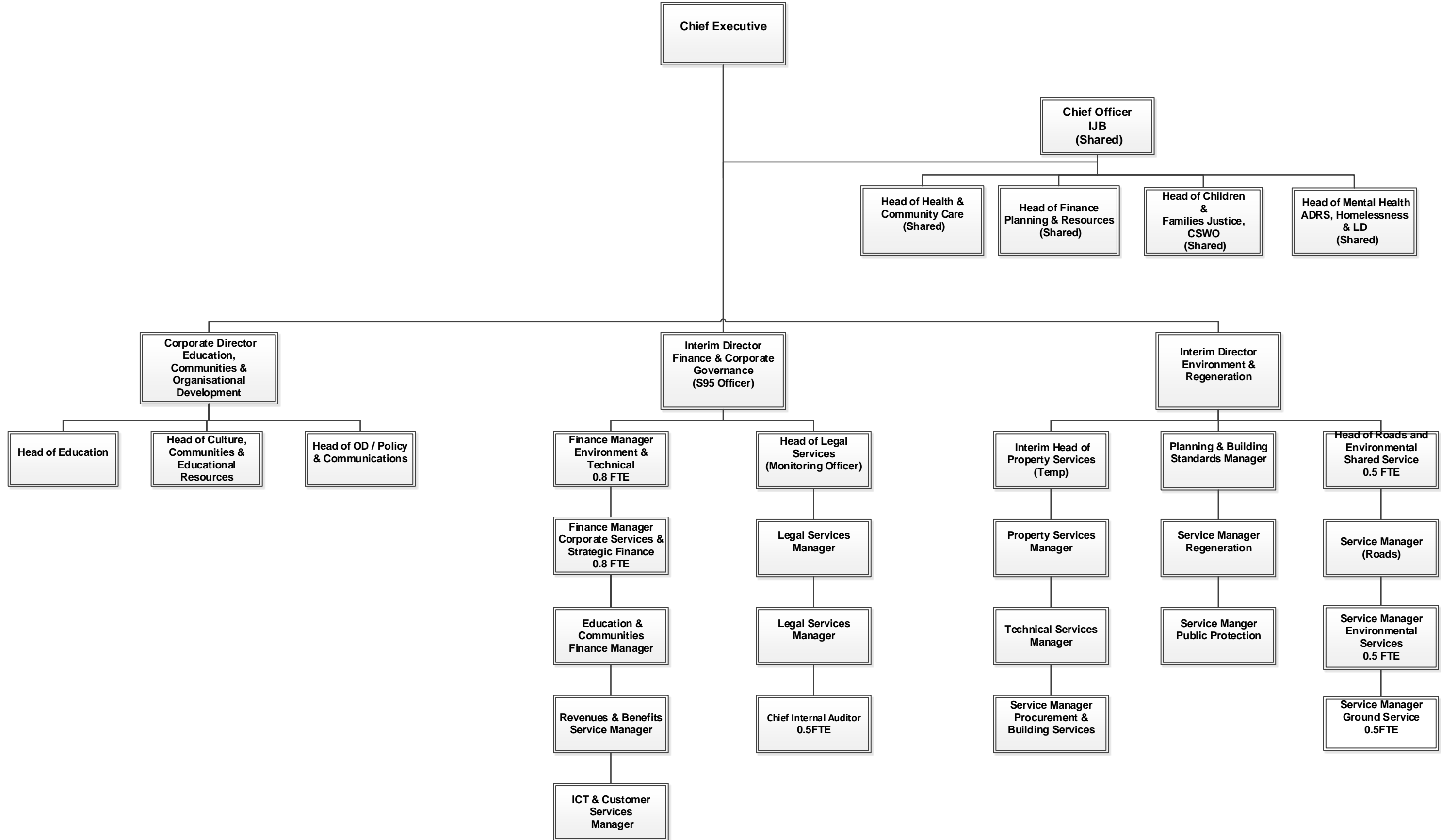
7.1 None

**CHIEF OFFICER STRUCTURE  
APPROVED 2018**

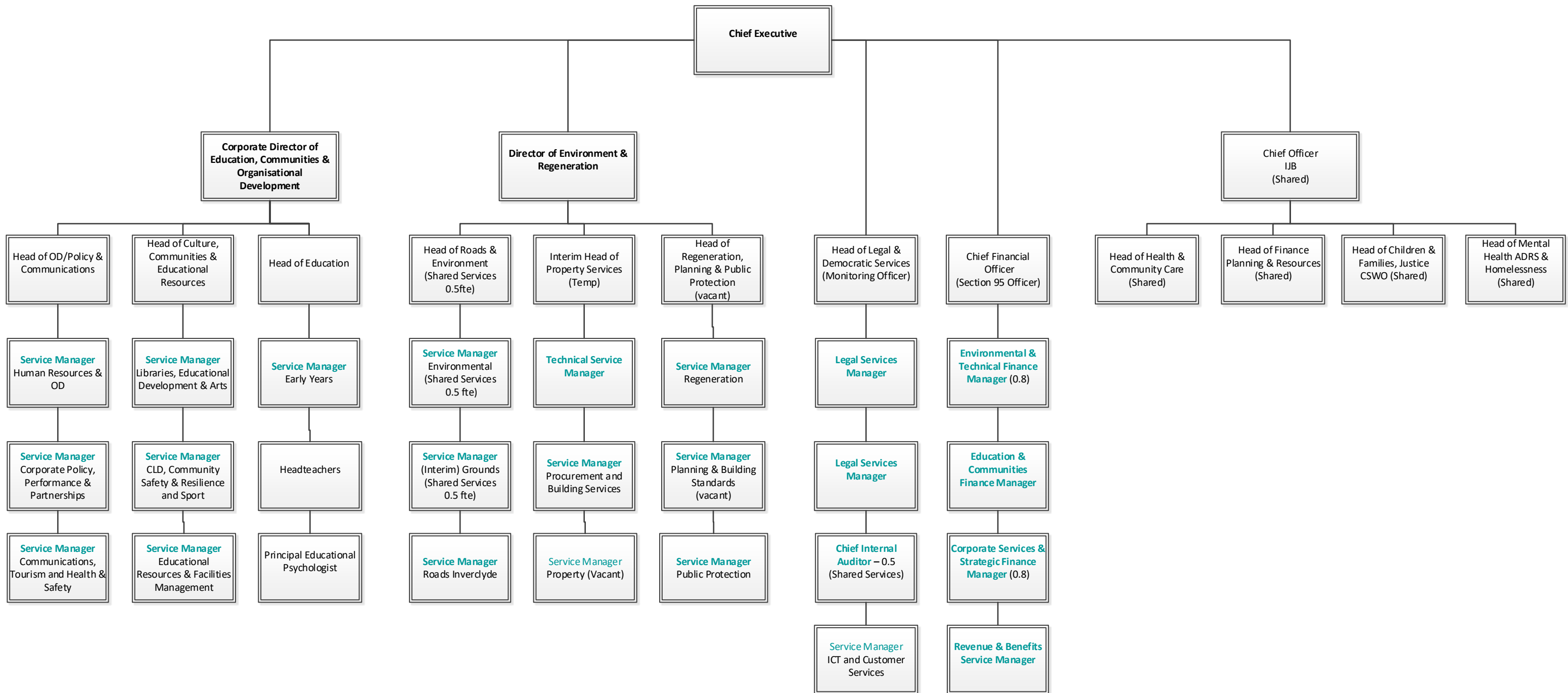




**CORPORATE MANAGEMENT TEAM  
PROPOSED STRUCTURE TO APRIL 2023**



**CORPORATE MANAGEMENT TEAM  
PROPOSED NEW STRUCTURE  
FROM APRIL 2023 TO JUNE 2023**



\* Corporate Director of Education, Communities & Organisational Development remains unchanged.  
 \* Director Environment & Regeneration – Finance and Legal line management moves to the Chief Executive.  
 \* Interim Head of Property Services beyond June will be covered in Phase 2 report.