
Report To:	Inverclyde Council	Date:	18 May 2023
Report By:	Chief Executive	Report No:	IC/01/23/LL
Contact Officer:	Louise Long	Contact No:	01475 712701
Subject:	Management Structure – Phase 2		

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 the second phase of the new management structure following the decision of the Council on 04 May 2023 to dissolve the shared services between Inverclyde Council and West Dunbartonshire Council for Roads, Grounds, Waste & Fleet.

1.3 The Council report on 01 December 2022 outlined three phases to the Senior Management Team restructure. Phase 1 reverted back to two directors and approved recruitment for the Director of Environment and Regeneration. The report also moved the line management responsibility of the Chief Financial Officer and Head of Legal, Democratic, Digital and Customer Services to the Chief Executive. The report indicated that Phase 2 of the management structure would be reviewed based on savings approved as part of the 2023/25 Budget and the review of the shared services with West Dunbartonshire Council.

1.4 An assessment of the approved budget savings has been undertaken to determine whether a further review of middle management may be required and although there was reduction on staff numbers across various services, the reductions were not of a scale in any area to require a review the middle management structure at this time. This will be revisited following the next budget round and incorporated within the third phase of the management structure review.

1.5 As mentioned above, the Council agreed on 04 May 2023 to dissolve the shared services arrangements for Roads, Grounds, Waste & Fleet, effective from 01 June 2023. The dissolution requires a revised management arrangement for the Environment & Regeneration Directorate to be addressed.

1.6 The new Council Plan, approved on 20 April 2023, focuses on the Council's strategic priorities including addressing the challenges of climate change, the need to rationalise Council assets and to continue to address the physical regeneration of Inverclyde. These priorities have identified the need to build capacity in Environment & Regeneration, especially when considered alongside the successful bid for Levelling Up funding, additional work from the Inverclyde Taskforce and the need to attract additional external funding for regeneration. This report proposes a revised management structure that would assist the Council in delivering these strategic priorities, together with ensuring that operational services were efficient and effective.

1.7 The final phase of the management review (Phase 3) will be undertaken once the Council has clarity over how the proposed National Care Service is to be progressed. Currently the Parliament have agreed to pause stage 1 of the National Care Service Bill to have further engagement with unions. It is anticipated that the Phase 3 report will be presented to the Council early 2025.

- 1.8 The Council's key governance documents will need updated to reflect any changes made to the management structure, 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 2 of the management structure with focus on the Environment & Regeneration element of the Senior Management Structure as detailed in section 4 of the report and Appendix 2.
- 2.2 To approve the financial implications set out in 5.2 including increasing the Council non-teaching turnover target by £33,000 from 2023/24 and to create an earmarked reserve to support the preparation of the Local Development Plan.
- 2.3 To agree to progress the recruitment of a Head of Physical Assets as set out in paragraph 4.3 in this report.
- 2.4 To create a service manager post for major projects to support priorities within the Council Plan and attract additional external funding for regeneration and to redesignate the post of Property Services Manager to that of Asset Manager.
- 2.5 To note that a further report with recommendations for Phase 3 of the management structure will be brought forward to future meetings of the Inverclyde Council once the timescale for the National Care Service and the outcome of the 2024/26 Budget process is known.
- 2.6 To delegate authority to the Head of Legal, Democratic, Digital and Customer Services in consultation with other relevant officers to update the Standing Orders and Scheme of Administration, Scheme of Delegation, Financial Regulations and the Standing Orders relating to Contracts to reflect the decision of the Council in respect of this report, noting that these updates will be subject to the planned review of some of those documents later in 2023.

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 10fte management in senior posts and a saving of £675,000. This also resulted in a significant reduction in senior management capacity. Due to a combination of retirements, the need to enhance capacity during the Covid pandemic, a number of interim arrangements were put in place, most of which have now ceased.
- 3.2 In December 2022 the Phase 1 Management Structure was agreed, this reverted back to two directors and approved recruitment for the Director of Environment and Regeneration. The report also moved the line management responsibility of the Chief Financial Officer and Head of Legal, Democratic, Digital and Customer Services moving to the Chief Executive. The Director of Environment and Regeneration has been successfully recruited from an internal candidate and this has created a vacancy for the Head of Regeneration, Planning & Public Protection. Recruitment is currently taking place for this post and interviews are scheduled for 25 May 2023. See Appendix 1 for the current structure.
- 3.3 Across this period, the financial challenges facing the Council have been significant. The recently approved Budget required £6.6 million of savings in 2023/24 with a reduction of 61.8fte employees, the use of £3.0million from reserves and a 5% Council Tax rise. The use of reserves temporarily mitigated the level of employee/service reductions and therefore does not provide the opportunity to review the middle management structure as originally envisaged. The financial challenges facing the Council however continue to be significant with an estimated budget gap of £18.1 million over 2024/27.
- 3.4 The Council on 04 May 2023 agreed to dissolve the shared arrangements between Inverclyde Council and West Dunbartonshire Council for Grounds, Roads, Waste & Fleet following a meeting of the Shared Services Joint Committee on 18 April 2023. As part of the agreement with West Dunbartonshire Council, the Head of Shared Services will conclude their employment with Inverclyde Council on 31 May 2023 and will become a West Dunbartonshire Council employee. The Shared Waste and Fleet Service Manager will conclude their employment with West Dunbartonshire Council on 31 May 2023 and will once again become an Inverclyde Council employee reverting to the role of Service Manager for Waste and Grounds.
- 3.5 The Council also agreed that a further report should be brought back on the shared Internal Audit service to consider the future options. The report will be brought back in the Autumn to the Shared Services Joint Committee in the first instance.
- 3.6 During the implementation of the management structure the Council has established the Inverclyde Socio Economic Task Force. The Task Force has used independent research to understand the unique challenges and potential solutions to support the economic regeneration of the area. There are additional funding opportunities which need to be applied for to support projects however the management team currently lack the capacity to take forward some of this work. Inverclyde Council has been successful in obtaining grant funding for a number of projects including the £21.57 million Levelling Up Fund, however these projects will need support to ensure their effective delivery.
- 3.7 Environment & Regeneration requires to deliver on the Council's Net Zero Strategy. This will include the rationalisation of the Council's assets due to significant increases in maintenance, energy and non-domestic rates costs and to reduce future cuts to services from 2024/25 onwards. However, there is an opportunity to think differently about how we use our assets for example following the introduction of hybrid working and there being less employees working in the offices, the Council must aim to reduce its environmental footprint.
- 3.8 Originally the final phase of the Senior Management Structure Review was linked to the National Care Service proposals, the Government has announced the first stage of the Bill will be paused therefore, the expectation is that there may be delays in the implementation of the National Care Service. Once the outcome is known, a report will be brought back to Council on Phase 3 of the

Management Review. As an indication it would be hoped to present the Phase 3 report to the Council in early 2025.

4.0 PROPOSALS

- 4.1 Since October 2021 key senior positions in the Council have been filled, including earlier this year the Director of Environment & Regeneration. This along with the dissolution of shared services provides an opportunity to modify the structure within the Environment and Regeneration Directorate and adapt it to meet the changed needs of the Council, as summarised above.
- 4.2 The existing structure below the Director comprises the Head of Regeneration, Planning and Public Protection (vacant); the 0.5fte Head of Roads and Environmental (Shared Services) and the Interim Head of Property.
- 4.3 It is proposed to create a structure with two Heads of Service by deleting the Head of Roads and Environmental (Shared Service) and redefining the Interim Head of Property post to Head of Physical Assets. The roads function will be part of operational area of the Head of Physical Assets along with Procurement, Technical Services supplemented by a Service Manager for Asset Projects funded from the current post of Property Services Manager. This post will support the rationalisation of assets, energy management for the Council and develop applications for funding to support delivery of the Council’s Net Zero Strategy. Due to a number of existing staff having appropriate experience in this role it is proposed to advertise the Head of Physical Assets role internally in the first instance with a full interview process deployed. The Head of Regeneration, Planning and Public Protection will assume operational responsibility of the Waste and Grounds Service Manager, along with Regeneration, Planning and Building Standards, and Public Protection supplemented by a new Service Manager role for Physical Regeneration. This post will support the delivery of Levelling Up and support applications for external funding ensuring a focus on the physical regeneration of the area. This post will also assist in meeting the previous requests from Elected Members for a resource to attract greater external funding into the area to offset other funding pressures. See Appendix 2 for proposed structure.
- 4.4 To part fund this structural change the proposal is to delete the Policy Planning Team Leader post which has been vacant since 10 November 2021. In addition, it is proposed the Council will use the existing Local Development Plan budget to fund the external support to provide the cyclical function of delivering the Local Development Plan. It is expected that the external costs will be contained within the earmarked reserve allowance.

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

The finance boxes below set out the costs and funding sources. There is a recurring £33,000 shortfall and it is proposed that this be met from an increase in the non-teaching turnover target for the Council.

In addition, it is proposed to create an earmarked reserve using any underspend in the existing £8000 Local Development Plan preparation budget to fund the cyclical support requirements associated with the Local Development Plan.

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)		Reduction in statutory officers and director payments agreed during Ph1
			(£59K)		Deletion of Team Leader Planning Policy
			(£16K)		Reduction in Manager costs following end of Shared Services
			(£33K)		Increase in corporate turnover target
			£57k		Cost of 0.5fte Head of Service
			£79k		Cost of Physical Regeneration Manager Post

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 are detailed in section 4 of this report.

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 EqlA 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 EqlA 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**

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.

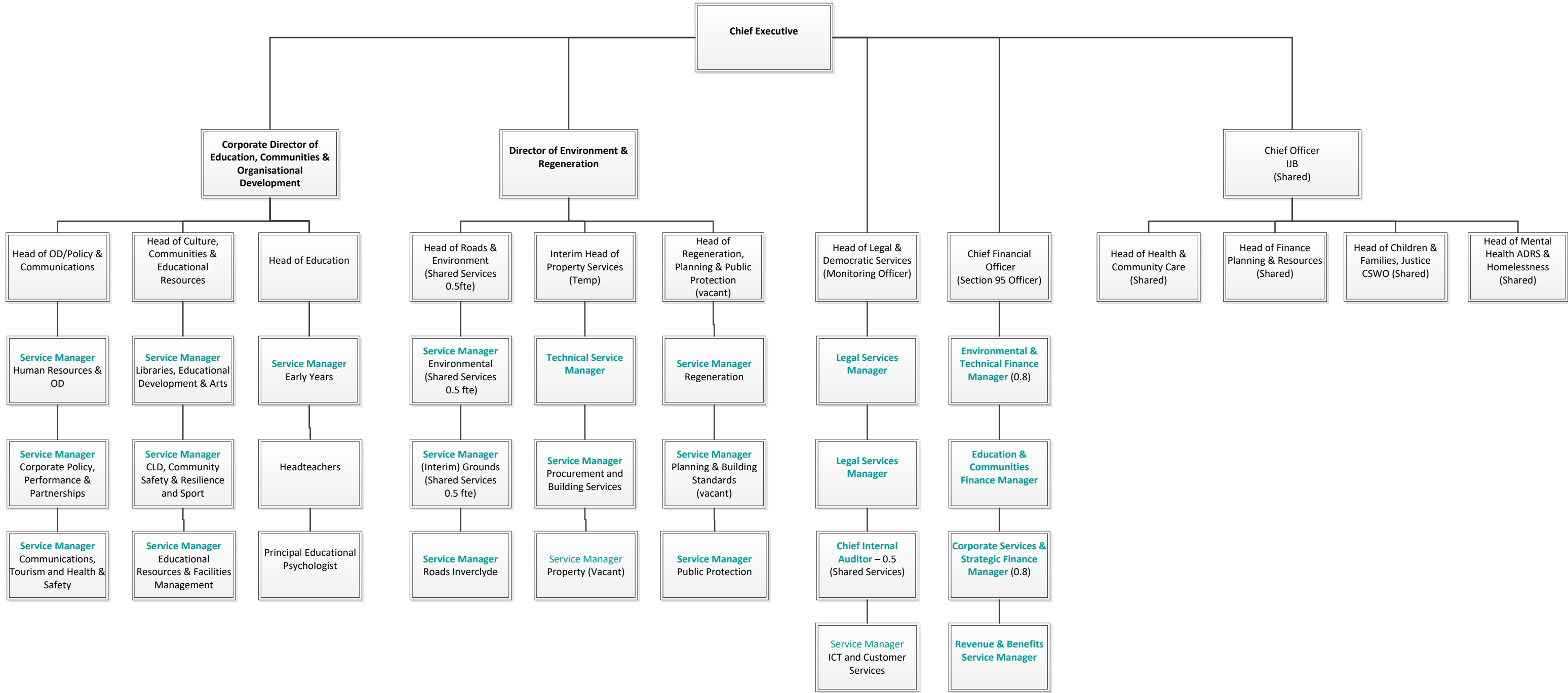
6.0 CONSULTATION

6.1 The trade unions have been consulted and are supportive of these proposals.

7.0 BACKGROUND PAPERS

7.1 None.

**CORPORATE MANAGEMENT TEAM
CURRENT / APPROVED DECEMBER 2022**



* 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.

CORPORATE MANAGEMENT TEAM PROPOSED NEW STRUCTURE

