
| | | | |
|-------------------------|---------------------------------------|--------------------|-------------------------|
| Report To: | Inverclyde Council | Date: | 27 February 2025 |
| Report By: | Chief Executive | Report No: | IC/03/25/LL |
| Contact Officer: | Louise Long | Contact No: | 01475 712701 |
| Subject: | Management Structure – Phase 3 | | |

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The current Chief Executive is leaving to join NHS Lanarkshire on 5th May 2025. Given the Chief Executive's recruitment process is underway, it is proposed to pause phase 3 of the management review until the new Chief Executive is in place.
- 1.3 The Council report on 1st December 2022 outlined three phases to the Senior Management Team restructure. Phase 1 reverted 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 the Head of Legal, Democratic, Digital and Customer Services, to the Chief Executive.
- 1.4 Phase 2 of the management structure was based on savings approved as part of the 2023/25 Budget and the review of shared services with West Dunbartonshire Council. The report on 4th May 2023 dissolved the shared services arrangements for Roads, Grounds, Waste & Fleet, effective from 1st June 2023.
- 1.5 The final phase of the management review (phase 3) was to be undertaken once the Council had clarity over the proposals for a National Care Service. The Scottish Government confirmed on 14th November 2024 that the National Care Service Bill would not progress in its current form. A key strand of Phase 3 Management review was to be linked to savings taken from front lines services however a small saving of £135,000 for 2025/26 has been made as part of the management workstream.
- 1.6 The Council agreed on 23rd January 2025 to set aside £255,000 within the pressures allowance to increase senior officers' capacity, in acknowledgement that more capacity is required to deliver transformational change as well as support elected members.
- 1.7 The Council withdrew from the Digital Office in 2020. However, given the increased use of digital technology across local government to support transformation, the Council is recommended to consider rejoining the Digital Office to increase the Council's capacity to deliver the digital aspects of transformational change.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Council agrees:

- a) To pause phase 3 management review and agree that a further report with recommendations for the management structure be brought forward to a future meeting of the Inverclyde Council once the new Chief Executive is in place.
- b) To fund the Digital Office to increase the Council's capacity to deliver digital transformation at a cost of £32,484 per year.

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 resulted in a significant reduction in senior management capacity.
- 3.2 In December 2022, the phase 1 Management Structure was agreed, this reverted 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 the Head of Legal, Democratic, Digital and Customer Services, to the Chief Executive.
- 3.3 In May 2023, the Council considered phase 2 of the management review and agreed to dissolve the shared arrangements between Inverclyde Council and West Dunbartonshire Council for Grounds, Roads, Waste & Fleet on 1st June 2023.
- 3.4 Originally, the final phase (Phase 3) of the Senior Management Structure Review was linked to the National Care Service proposals and expected cuts from the 2024/26 Budget process therefore allowing a reduction in middle management.
- 3.5 The Scottish Government initially announced that the first stage of the Bill was paused, but in November 2024 the Government stated an intention to move away from key features of the original Bill, towards a model which retains IJBs, and creates a National Care Service Board. The newly proposed National Care Board will not impact the management structure within the Council and should therefore not be an influence on phase 3 of the management review.
- 3.6 The 2024/2026 elected members were expected to make significant budget cuts to services which would result in reductions in middle management which would lead to savings of £200k in Phase 3 of the Management Review. However minimum cuts were made, and high levels of reserves were used to manage the budget therefore middle management reduction was not possible, the workstream for management review has been able to achieve £135,000 of saving for 2025/26.
- 3.7 In October 2023 Audit Scotland published the Transformation in Councils report, which outlined that Councils need to reform to mitigate the acute challenges with councils' finances and workforce. The report outlines that councils and key partners must significantly increase the pace and scale of major changes if they are to protect vital public services.
- 3.8 The Council agreed on 23rd January 2025 to set aside £255,000 to increase senior capacity to support elected members and provide additional resilience. It is suggested that some of these resources should be used for transformation.

4.0 PROPOSAL

- 4.1 The current Chief Executive is leaving to join NHS Lanarkshire on 5th May 2025. Given the new Chief Executive's recruitment process is underway the proposal is to pause Phase 3 management review until the new Chief Executive is in place.
- 4.2 The Council acknowledges more development needs to take place to transform and redesign Council services. Digital plays a significant role in supporting transformation. To gain visibility of practices across local authorities in Scotland and support the developments in digital it is considered useful for the Council to rejoin the Digital Office currently hosted by COSLA as it offers expertise and support and a network of peer authorities.
- 4.3 The Digital Office has an annual reoccurring fee which local authorities in Scotland contribute to Inverclyde's contribution would be £32,484 on a reoccurring basis.

- 4.4 The collaborative nature of the Digital Office allows councils across Scotland to work together and share best practices across a range of areas. The Digital Office also facilitates useful services, including a Digital Maturity Assessment offer that would align with the Council's Digital Strategy.
- 4.5 There are several ongoing collaborative initiatives that the Council can either contribute to or access to the outcomes and recommendations, including:
- Engage Process Community co-led with West Lothian Council, co-authoring and collectively mapping processes for a shared library. The Council has recently started to use the Engage Process to map processes across a range of areas.
 - National Power Platform Community – co-led with Perth and Kinross Council (PKC).
 - AI Community – co-led with CEC, PKC and Renfrewshire, partnered with The Alan Turing Institute,
 - Digital Champions – co-led with SCVO
 - Inclusion Champions – co-led with Aberdeenshire, CEC, Renfrewshire and Fife Councils
 - Digital Leadership Forum. Regular meeting of all Council CTO, Digital and ICT Leaders
- 4.6 The model of the Digital Office requires input from its member councils to deliver these initiatives, therefore the Council would need to commit appropriate resources to support any initiative it wishes to participate in.

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

If this proposal is approved, it will leave approximately £222,000 within the approved Management Capacity Budget.

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 |
|-------------|--------------------------|------------------|-------------------|-------------------------------|---|
| ICT | Payments to Other Bodies | 2025/26 | £32,484 | | Funded from the £255,000 senior management capacity budget. |

5.3 Legal/Risk

There is a risk in delaying additional capacity to support transformational work in the Council however the new Chief Executive will have a view on how they wish to progress transformation within the Council.

5.4 Human Resources

No human resource implications.

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

6.0 CONSULTATION

6.1 CMT has been consulted.

7.0 BACKGROUND PAPERS

7.1 None.