



West Dunbartonshire Council
Review of Management Structures

Brodies LLP

June 2007

Contents

1.	Introduction	3
2.	Summary of Main Recommendations.....	4
3.	Methodology	5
4.	Context	6
5.	Issues to address in the new arrangements	8
6.	Our recommendations for the management structure	10
7.	Conclusions	29
8.	Implementation plan	30

1 Introduction

1.1 In March 2007, West Dunbartonshire Council (the Council) commissioned Brodies LLP to carry out a review of its management and decision-making structures. The review was aimed at informing one element of a wider Improvement Plan developed by the Council in response to the findings in Audit Scotland's Audit of Best Value and Community Planning.

1.2 Brodies' specific remit was to undertake a review of the Council's:

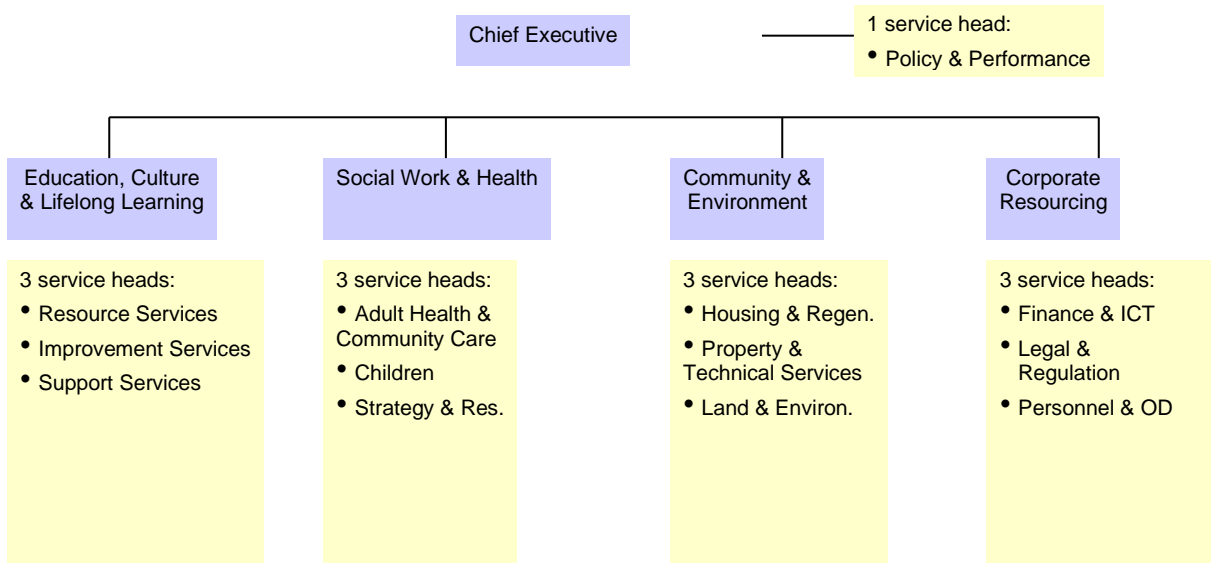
- decision making process, (particularly with a view to widening input to strategic decision making and improving scrutiny – separately report)
- political and managerial structures, to ensure that they operate effectively and are complementary.

1.3 This report details Brodies' findings and recommendations. It sets out the relative strengths and weaknesses of a number of options available to the Council for its management structures. It then proposes a preferred way forward, aimed at optimising effectiveness, cohesion and impact. It concludes with a number of accompanying recommendations aimed at supporting a manageable transition from the current arrangements to the proposed way forward.

2 Summary of Main Recommendations

2.1 The following highlights the main recommendations from this report:

- A new management structure with an additional Corporate Director responsible for Corporate Resourcing. This post will be responsible for the Services currently reporting to the Chief Executive, with the exception of Policy, Performance and audit. Regulatory functions will also report here.
- The following diagram summarises our proposals.



2.2 The allocation of service functions would be as follows:

- **Education, Culture & Lifelong Learning** – current Education & Cultural Services
- **Social Work & Health** – current Social Work (with scope to jointly fund Integration/Adult services with Health in the future)
- **Community and Environment** – current Housing & Regeneration Services, with the exception of Environmental Health and Trading Standards and Revenues
- **Corporate Resourcing** – Finance, Procurement, HR, Elections, Legal, Admin, Regulatory Services, Information/ICT
- **Chief Executive's office** – Policy & Performance, Public Relations & Marketing, Audit & Scrutiny.

3 Methodology

3.1 Our methodology for the project comprised the following ten stages:

1. Desk-based consideration of the current management and political structures; the roles and remits of individuals, services, departments and committees; and the Council's current standing orders and scheme of delegation
2. Interviews with all current Directors (including Acting Directors) and Heads of Service
3. Focus groups with service managers and section heads
4. Interviews with those elected members expressing an interest in participating on the exercise (all were offered the opportunity) and observations of committee working
5. Meetings with trades unions
6. Meetings with other advisers from SOLACE who were also involved in supporting the Council's BV Audit Improvement Plan
7. Benchmarking of management and decision-making structures and decision-making processes in other councils in Scotland
8. The identification and appraisal of options for the political and decision-making structures
9. Reporting on preferred structures and processes, including the recommendation of accompanying actions aimed at supporting implementation of the preferred way forward
10. The identification of a SMART action plan to support implementation of our recommendations.

4 Context

4.1 There are a number of key contextual considerations that influenced our methodology, conclusions and recommendations. These should be borne in mind when interpreting the findings set out in this report and the nature and timing of our proposed way forward.

4.2 These include:

- The Best Value expectation in Scotland, clearly articulated in the Local Government in Scotland Act 2003, associated guidance and the detail of the Best Value and Community Planning Audit framework. This includes the Executive's guidance on Elected Membership Leadership in Best Value.
- The Scottish Executive's 'Transforming Public Services' agenda, setting out national expectations for the future delivery of public services in Scotland. It emphasises the need for user focused and personalised services, enhanced quality and innovation, improved efficiency and productivity, shared services and strengthened accountability
- The introduction of multi-member wards as a result of the Single Transferable Vote proportional representation system being adopted in the local elections in May 2007. This will bring its own set of challenges to the Council including a number of new elected members and the advent of full-time councillors.
- The emergence of new delivery arrangements such as Community Health Partnerships (CHPs) that have a knock-on effect for councils in terms of governance and service management.
- The development of associated scrutiny frameworks by Audit Scotland, Communities Scotland and the HM Inspectorates. This includes the work we are undertaking on behalf of Cosla / The Improvement Service and Solace, which is examining the value and cost of external scrutiny frameworks in local authorities. This work will ultimately feed into the review of scrutiny frameworks being undertaken by Professor Lorne Crerar.
- The expectations of the Local Governance Act 2004 in considering political governance arrangements and their links with the optimum officer structure.
- Developing trends in senior management structures across Scotland, with a growth in Executive Directors focusing on either corporate outcomes and/or the management of groupings of related services

4.3 It is also important to consider a number of local contextual issues, including:

- West Dunbartonshire being one of the most deprived areas in Scotland, being ranked fourth in the Scottish Index of Multiple Deprivation. The area also faces a number of significant health challenges including the second lowest male life expectancy figures in Scotland (70.7 years)

and high rates of teenage pregnancy (47 per 1,000) and coronary heart disease (885 men under 65 per 100,000). (ref: Audit Scotland Report Dec'06).

- The developing Community Plan with its commitment to:
 - Building strong and safe communities
 - Creating an attractive and sustainable environment
 - Developing affordable and sustainable housing
 - Improving health and wellbeing
 - Promoting education and lifelong learning
 - Regenerating and growing the local economy
- The related commitments made by the Council in its Corporate Plan 2005-2009, largely mirroring those in the developing Community Plan, though including additional commitments to:
 - Developing the potential of children and young people
 - Providing high quality, best value services
- The dis-aggregation of NHS Argyll & Clyde and the impact on developing CHP arrangements and the Community Planning process
- The incremental development of the Council current senior management structure and the instability this has caused within the organisation
- The Council's experience in adopting a range of political decision-making structures in the past, including traditional service committees, an Executive/Cabinet model, a decentralised model and a thematic approach
- The volatile local political climate, with a history of tensions between elected members, and between members and senior managers.

5 Issues to address in the new arrangements

5.1 There are a number of issues that our recommendations aim to address. In addition to maximising the impact in the priority areas highlighted in the Community and Corporate Plans, the recommendations aim to alleviate the concerns highlighted by Audit Scotland in their Audit of Best Value and Community Planning report, as well as addressing a number of further issues highlighted during our review.

5.2 The Audit Scotland concerns include:

- Frequent structural changes have created an unstable management framework and staff morale is not strong
- Risk is not systematically considered and a risk management culture needs to be promoted
- The (previous) restructuring was not based on a robust and strategic appraisal of options and the resultant structures do not complement existing political structures
- The council does not have a corporate culture which demonstrates openness and accountability in its strategic decision-making arrangements, or which can consistently support continuous improvement.

5.3 Further issues identified during the review included:

- A number of members of the current Corporate Management Team (CMT) are in 'acting' roles or likely to take early retirement in the next 12 months
- Recruitment to senior positions – including Director-level posts - has been difficult in the recent past
- There is almost universal agreement about a lack of strategic capacity across the Council. This relates to both staff numbers and skills/competencies
- The approach to Community Plan implementation is piecemeal. There is also a dislocation between strategic planning and operational delivery. This is evident in the shortage of – or insufficient links between – corporate and service strategies
- Partly as a result of the atmosphere created by local political volatility, there are some concerns about whether organisational culture is wholly conducive to delivering Best Value. There is, however, optimism that this can be addressed
- Benchmarks indicating relatively low remuneration for senior management compared to other similar councils. However any comparisons need to be considered in the context of the Council's wider job evaluation process.

- A need for a greater investment in organisational development and human resource management

5.4 These concerns need to be considered in the context of a number of identified strengths, including:

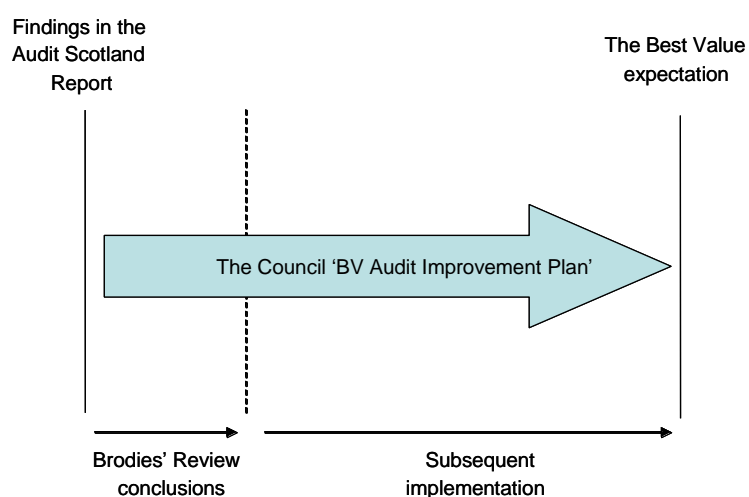
- The areas of strength identified in the Audit Scotland report, including:
 - “The new corporate and service planning framework aiming to create good linkages between the council’s strategic and operational plans
 - The ambitious approach to information and communications technology (ICT) which is enabling it (the Council) to make progress with electronic service delivery (ESD) targets”
- Positive feedback from the HMIE and SWIA work
- The commitment made by the Council to address the findings of the Audit Scotland report, including:
 - Ensuring robust and effective scrutiny arrangements, including the involvement of opposition elected members, covering the council’s decision making processes as well as service performance, are put in place
 - Reviewing political and managerial structures to ensure that they operate effectively and are complementary.
 - The incorporation of the Improvement Plan into the new corporate plan and into departmental service plans which will be the delivery and monitoring mechanisms for improvement.
- The ‘new’ corporate management team (CMT) is viewed positively – both in terms of behaviour and maintenance of a strategic corporate perspective - by the vast majority of Directors, Heads of Service and Service Managers
- Assertions of very positive joint operational working between existing Council departments

6 Our recommendations for the management structure

6.1 We have clustered our management structure recommendations under a number of related headings:

- A revised management structure
- Recommendations to support successful implementation within the structure
- Clarification of roles and responsibilities within these structures, and communications between them
- Populating the structure

6.2 The proposed recommendations will not, in themselves, address all of the issues highlighted by Audit Scotland or raised during the review exercise. Rather, in their profile and intent, they aim to create/sustain momentum in the council's improvement process.



6.3 **A revised management structure**

6.4 Any organisation's structure is not an end in itself. Rather, it is one mechanism to help it to deliver its objectives in as efficient and effective a manner as possible. Looking across Scottish local government, council organisational structures can be grouped roughly under one of four headings:

1. **service-focused** – with Director posts for distinct services (such as Education or Social Work) such as Dundee
2. **synergistic** – with Directors for groupings of services with obvious synergies (such as Regulatory Services, comprising Planning, Building Control, Environmental Health, Trading Standards; or Community Services comprising services such as Housing, Leisure & Culture and Social Work) such as East Ayrshire or South Ayrshire
3. **citizen-segmented** - with Directors responsible for a grouping of services for particular 'segments' (such as Children, Adults or Neighbourhoods) such as Dumfries & Galloway or Stirling
4. **corporate strategic** – with Directors responsible for progressing particular outcomes or themes (such as Learning, Wellbeing or Continuous Improvement) such as Fife or Aberdeen.

6.5 The direction of travel since local government reorganisation in 1996 has been for restructuring councils to move from service-focused structures to more corporate strategic alignments. Such developments reflect the assertion that 'form should follow function' (i.e. that the structure of the organisation should be aligned with the outcomes it aims to deliver).

6.6 They also reflect a growing acceptance that while local government has a crucial role in service delivery, its 'local governance' remit is much wider. This principle is enshrined in statute under the power of wellbeing and the duty to lead and participate in community planning.

6.7 **Structural Options**

6.8 This section sets out a shortlist of structural options available to help meet Council objectives, manage the delivery of effective services and support the attainment of Best Value. In each instance, we have described the option and set out the main strengths and weaknesses associated with each. This has been used to form the basis of a weighting and scoring exercise to help inform the preferred way forward.

6.9 We have used a number of criteria to assess the options:

- **Impact** – will the structure help the Council to achieve its vision, aims and objectives? (presumed to be those set out in its Corporate Plan)
- **Effectiveness** - will it help the Council to deliver Best Value and continuous improvement across its activities? Will it ensure that sufficient capacity and appropriate competencies are available to the Council?
- **Efficiency** – will it reduce bureaucracy and unnecessary duplication, and help to streamline processes?
- **Communications** – will it assist joined-up working, the management of knowledge and the development of external partnerships?
- **Affordability** – can it be delivered within the Council's budget?
- **Acceptability** – will elected members, management, trades unions, staff and key stakeholders support it?
- **Deliverability** – can we make it happen within the desired timescales?
- **Sustainability** – will it become obsolete in the foreseeable future? Will it allow the Council to respond to changing demands/expectations?
- **Risk** – can the Council make it work? Do the benefits it brings outweigh the disruption the restructuring will cause?

6.10 We have examined four options for the management structure:

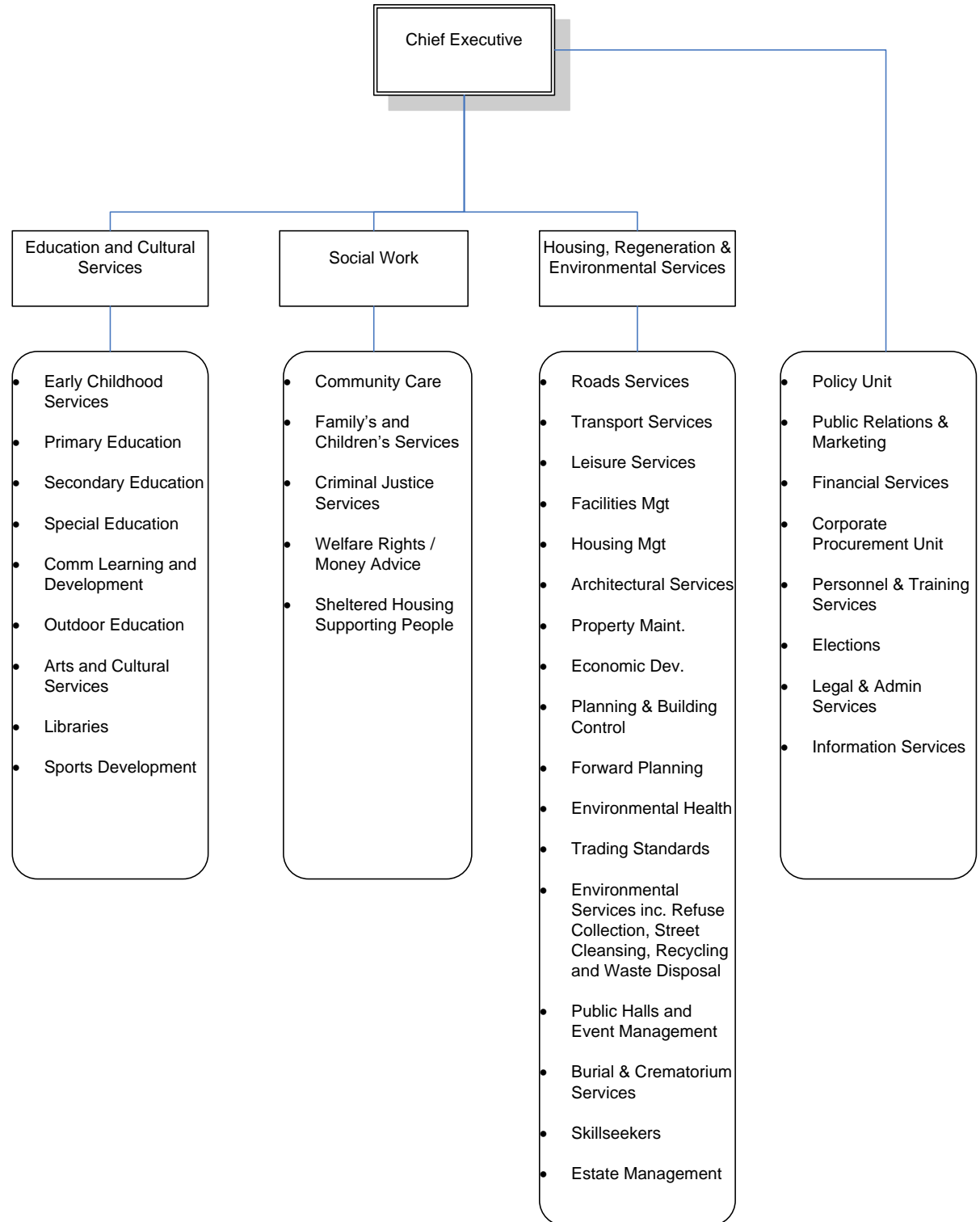
1. the status quo
2. a service synergy model
3. a corporate and service development model
4. a corporate strategic model

6.11 The models and associated strengths and weaknesses are set out on the following pages.

The Status Quo

6.12 This model involves retention of the current senior management structure, with a Chief Executive's Department; Education & Cultural Services Department; Social Work Department; and Housing, Regeneration and Environmental Services Department.

Figure 1 - Current Structure



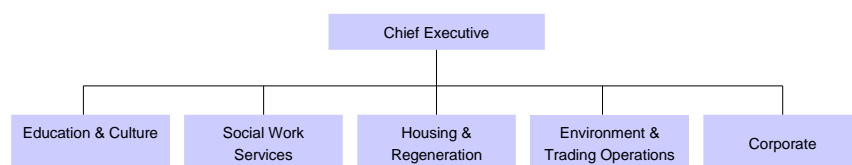
Current structure: strengths and weaknesses

Strengths	Weaknesses
<ul style="list-style-type: none"> • Already in place • Relatively streamlined • Relatively affordable • Is being made to work by the current senior management team • Would provide stability 	<ul style="list-style-type: none"> • Has failed to free up the time of the Chief Executive and Directors to focus on strategic issues • Service delivery rather than outcome focused • Associated sub-structure sees some Directors retaining operational management responsibilities • Widely regarded as ‘too light’ by managers and many elected members • Seen to have incrementally developed due to personality clashes and pressure for savings • Fails to provide sufficient capacity to support the required Best Value Implementation Plan and continue to run Council ‘business’ • Has proved difficult to populate as a structure due to lack of interest from appropriate candidates • Currently being ‘worked round’ via the co-Director situation in HRES • Seen to perpetuate current cultural issues • Assumes satisfaction with current arrangements • Fails to create initial momentum to support wider Best Value improvement activities • May become obsolete depending on long term success of integrated Children’s Services in other councils

Alternative 1: The service synergy model

6.13 The intention here is to develop existing service synergies, free up the Chief Executive from support service responsibilities, and improve the 'manageability' of the current HRES Department. This approach sees a significant increase in capacity at Director level.

6.14 Many of the Chief Executive's functions are delegated to a Director of Corporate Services. Policy, Public Relations & Marketing would remain with the Chief Executive. The remits of the Education & Cultural Services Department and Social Work Department remain unchanged. The remit of the current Housing, Regeneration and Environmental Services Department would be separated between two new departments: Housing & Regeneration and Environment & Trading Operations.



6.15 The allocation of service functions would be as follows:

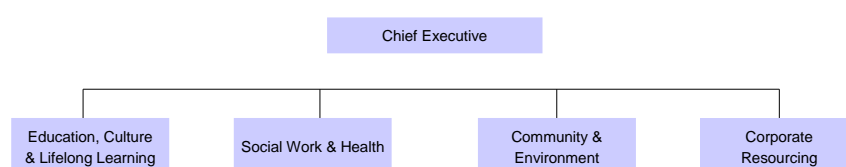
- **Education & Culture** – as current
- **Social Work** – as current
- **Housing & Regeneration** – current Housing & Regeneration Services
- **Environment & Trading Operations** – current Land & Environment Services
- **Corporate** – Finance, Procurement, HR, Elections, Legal, Admin, Information/ICT
- **Chief Executive's office** – Policy & Performance, Public Relations & Marketing

The service synergy model: strengths and weaknesses

Strengths	Weaknesses
<ul style="list-style-type: none"> • Frees up focus/time of Chief Executive to focus on strategic issues • Adds additional capacity whilst maintaining an element of stability • Capacity supports transition as well as improvements in service management • Supports a more strategic approach to corporate support services planning and management • Reflects current corporate management team representation • Easy to understand • Popular as an option during the review consultation with managers below Director level • Builds on acknowledged successes • Provides a more manageable separation of functions than current HRES Department • Provides a dedicated focus on Regeneration at CMT level 	<ul style="list-style-type: none"> • More expensive than the status quo • 'Heavier' numerically than refined structures in many other councils • Fairly traditional in alignment • May still be seen to perpetuate current arrangements/culture • Needs to be accompanied by a significant and high profile investment in organisational development and cultural change • Potential to become obsolete in the event of any housing stock transfer or any alternative to direct provision of major trading operations • May still become obsolete depending on long term success of integrated Children's Services in other councils • May be seen to be 'jobs for the boys' despite critical Best Value Audit report • Further work required to split current HRES support functions in line with new structure • Lack of capacity to meet Housing Quality Standard

Alternative 2: The corporate and service development model

- 6.16 The intention here is to continue to draw on service synergies, but place greater emphasis on supporting desired corporate outcomes. This option also sees an increase in capacity at Director level, but less so than in the service synergy approach.
- 6.17 Many of the Chief Executive's functions are once again delegated to a Director of Corporate Resourcing (assuming more of an integrated approach to resource planning than in the service synergy model). Audit and Scrutiny remain in the Chief Executive's Office to supplement the Policy, Performance and Communications role. The remits of the Education & Cultural Services Department and Social Work Department again remain largely unchanged, but cognisance is given to their roles in Lifelong Learning and Health Improvement respectively. The remit of the current Housing, Regeneration and Environmental Services Department remains largely as is, with the removal of Regulatory Services aimed at reducing the overall management burden and exploiting links with Legal Services.



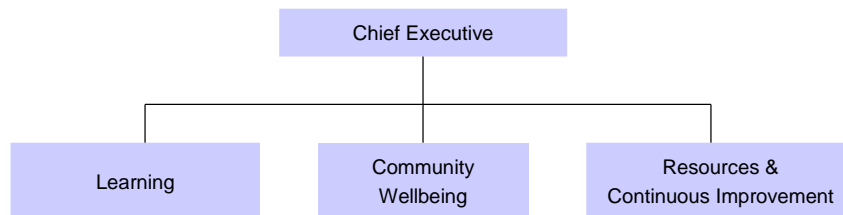
- 6.18 The allocation of service functions would be as follows:
- **Education, Culture & Lifelong Learning** – current Education & Cultural Services
 - **Social Work & Health** – current Social Work
 - **Community & Environment** – current HRES, less the Regulatory functions (Environmental Health and Trading Standards)
 - **Corporate Resourcing** – Finance, Procurement, HR, Elections, Legal, Admin, Regulatory Services, Information/ICT
 - **Chief Executive's office** – Policy & Performance, Public Relations & Marketing, Audit & Scrutiny.

The corporate and service development model: strengths and weaknesses

Strengths	Weaknesses
<ul style="list-style-type: none"> • Frees up focus/time of Chief Executive to focus on strategic issues • Still adds additional capacity whilst maintaining an element of stability (though potentially less so than the service synergy model depending on sub-structure) • Capacity still supports transition as well as improvements in service management • Supports a more strategic and integrated approach to corporate resource planning and management • Potentially more affordable than the service synergy model (depending on the sub-structure) • Seen to be more progressive than service synergy model • Seen to be more in line numerically with developments in other councils • 'Re-badging' reflects de facto remits of current ECS, SW and HRES Departments ... supports notion of stability as a result 	<ul style="list-style-type: none"> • Still needs to be accompanied by a significant and high profile investment in organisational development and cultural change • Seen to be predominantly benefiting the Chief Executive in terms of reduced burden • May be light on the additional capacity needed initially to support BV Improvement Plan implementation • Fails to raise profile of regeneration activity • May still become obsolete depending on long term success of integrated Children's Services in other councils

Alternative 3: The corporate strategic model

6.19 This approach sees the perpetuation of the current numbers of Directors. It assumes a far more corporate strategic role for Directors, with each one being responsible for a key corporate outcome. The Chief Executive would delegate all functions to the Director of Resources & Continuous Improvement. Service synergies would be developed and managed at Head of Service level, with service management responsibilities delegated to Service Manager level. The service functions in each department are set out below.



6.20 The allocation of service functions would be as follows:

- **Resourcing & continuous improvement** – Policy & Performance, Public Relations & Marketing, Audit & Scrutiny, Finance, Procurement, HR, Elections, Legal, Admin, Information/ICT
- **Learning** – Education, Lifelong Learning, Libraries
- **Community Wellbeing** – current Social Work and HRES, plus Arts & Cultural services
- **Chief Executive's Office** – Chief Executive, plus CE's support.

The corporate strategic model: strengths and weaknesses

Strengths	Weaknesses
<ul style="list-style-type: none"> • Seen to be progressive • Still frees up management burden of Chief Executive • Potentially less expensive than other options (depending on the sub-structure); although Director posts may be seen to be 'bigger' than under other options and demand higher salaries accordingly • Seen as a 'big bang'; helping to re-launch Council image and build credibility • Puts a marker down of significant change • Potential to attract a better pool of candidates 	<ul style="list-style-type: none"> • Unlikely to provide sufficient additional capacity; either to manage the Council or to allow investment in the Best Value Improvement Plan • More difficult to understand and potentially more complex to operate • Too much too soon; undermining deliverability and confidence in success • Potentially too risky for the Council as a result • May undermine current organisational strengths • Fails to provide the desired stability

6.21 **Weighting and Scoring the Options**

6.22 In line with Best Value expectations, the relative strengths and weaknesses have been used to weight and score the different options against the criteria set out earlier. This process is by its nature subjective; it is used solely for indicative purposes, helping to inform a more qualitative decision.

6.23 Each of the criteria have been allocated a weight of 1, 2 or 3 depending on their perceived importance to the Council. These weights have been shown in the brackets after each criterion.

6.24 For each of the options, we have scored fit with the criteria as follows:

0 = no fit

2 = some fit

4 = close fit

6 = total fit

6.25 The scores, multiplied by the weights, are shown in brackets under each option. The total scores are shown in the bottom row; again with the weighted scores shown in brackets.

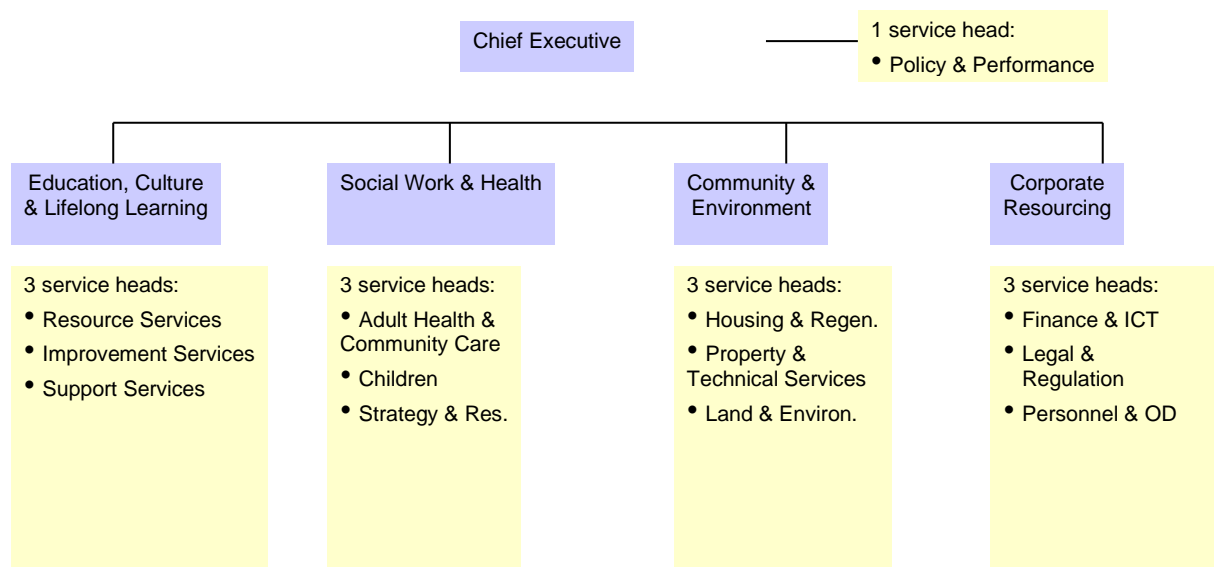
	Current Structure	Alternative 1	Alternative 2	Alternative 3
Impact (3)	2 (6)	4 (12)	2 (6)	2 (6)
Effectiveness (3)	2 (6)	4 (12)	4 (12)	2 (6)
Efficiency (2)	2 (4)	2 (4)	4 (8)	4 (8)
Communications (1)	4 (4)	4 (4)	4 (4)	2 (2)
Affordability (2)	4 (8)	2 (4)	4 (8)	4 (8)
Acceptability (1)	2 (2)	6 (6)	4 (4)	2 (2)
Deliverability (3)	2 (6)	4 (12)	4 (12)	2 (6)
Sustainability (2)	2 (4)	2 (4)	4 (8)	4 (8)
Risk to the Council ¹ (3)	4 (12)	4 (12)	4 (12)	2 (6)
Score	24 (52)	30 (70)	34 (74)	24 (52)

6.26 The exercise suggests that either the 'service synergy' or the 'corporate and service' development model has the closest fit with the selected criteria.

¹ The higher the risk, the lower the score

6.27 Our preferred way forward has been tailored from the main strengths of each one, with a greater emphasis placed on the corporate and service development structure. It aims to support achievement of the stated corporate goals while producing sufficient additional capacity during the transition process associated with the Best Value Improvement Plan. While we believe that the building blocks are sufficiently flexible to avoid the structure (in its entirety) becoming obsolete in the foreseeable future, we suggest how it may be subject to further refinement once the Best Value Improvement Plan has been delivered. It may also be refined to reflect the impact of any Council decisions regarding: the retention of its social landlord function; its continued in-house delivery of direct services; or demonstrable benefits in the Children's Services structures developed elsewhere. There are also synergies to be gained in merging the Finance and ICT functions with specific reference to the management of the efficient government agenda (including the Transforming Public Services white paper) and any potential examination of shared services. Internal Audit would be placed under the direct remit of the Chief Executive to align with CIPFA guidance that the Manager of Audit must report directly to the Chief Executive or the Chief Financial Officer.

6.28 The preferred way forward would see the following configuration:



6.29 The allocation of service functions would be as follows:

- **Education, Culture & Lifelong Learning** – current Education & Cultural Services
- **Social Work & Health** – current Social Work (with scope to jointly fund Integration/Adult services with Health in the future)
- **Community and Environment** – current Housing & Regeneration Services, with the exception of Environmental Health and Trading Standards and Revenues

- **Corporate Resourcing** – Finance, Procurement, HR, Elections, Legal, Admin, Regulatory Services, Information/ICT
- **Chief Executive's office** – Policy & Performance, Public Relations & Marketing, Audit & Scrutiny.

6.30 The proposed Heads of Service are illustrated in the diagram above. Their responsibilities can be summarised as follows:

Department	Head of Service Title	Scope
Chief Executive's	Policy and Performance (exc. Audit which reports direct to Chief Executive)	Policy, Communications, marketing & PR, Business Change and Continuous Improvement, Audit
Corporate Resourcing	Finance & ICT	Financial Services, Information services, Corporate Procurement, Revenues and Benefits, Efficient Government
	Legal & Regulatory	Legal & Admin, Environmental Health & Trading Standards, Elections
	Organisational Development & HR	Employee Development, Personnel Operations, Pay Modernisation
Community & Environment	Land & Environment	Leisure Services, Catering Services, Public Halls & Events, Environmental Services, Burial & Crematorium, Roads, Transport, Waste Services
	Housing & Regeneration	Planning & Building Control, Economic Development, Skillseekers, Forward Planning, Housing Operations
	Property and Technical Services	Property Maintenance, Housing Maintenance, Estate Management, Architectural Services, Asset Mgt
SW & Health Improvement	Adult Health & Community Care	Community Care, Adult Services
	Children's Services	Family & Children's Services, Criminal Justice
	Strategy & Resources & Modernisation	Supporting people, Resource management, Commissioning, Home Care
Education, Culture & Lifelong Learning	Resource Services	E.E & C.S, Inclusion and Equality
	Improvement Services	Attainment, Achievement and Quality Improvement
	Support Services	Human and Financial Resources, Facilities and Estate

6.31 In respect of the 3rd and 4th tiers we undertook to investigate the numbers, and remits to complement the proposed Directorate structure. We discussed the existing arrangements and future requirements in light of our preferred Directorate structure with Directors and Heads. In

general we propose no change to the current configuration at Section Head and Manager with a couple of exceptions outlined below. We do however recognise that there are areas where additional capacity may be required at Manager and Section Head level to meet new challenges and address the issues raised in the Audit Scotland report.

- 6.32 Within the proposed Chief Executive's Directorate we propose a re-grading (to be dealt with in the job evaluation process) of the current Section Head (Performance Management) post to acknowledge and address the increased focus on performance management and continuous improvement. In addition there is a requirement for a post at manager level in the area of public relations/communications. There is currently a manager responsible for Community Planning. Given our concerns around the current level of capacity in this section to deliver in such areas as change management, corporate governance, Community Planning, continuous improvement and marketing, we feel there is sufficient justification to have two managers reporting to a Head of Service for Policy. The same can be said for Finance/ICT where the responsibility to progress the efficient government agenda will require an additional section head.
- 6.33 Within the Directorate of Corporate Resourcing we propose 2 new permanent posts and one temporary position. Firstly a Manager with responsibility for Employee/Organisational Development within the corporate human resources and personnel function. Secondly, a Manager to deal with personnel Operations including discipline, grievance, policy and recruitment and selection. In addition there is a case for a temporary post at Manager level to address the ongoing issue of Pay Modernisation and Equal Pay.
- 6.34 The final area where additional capacity is required is in relation to Housing Strategy. This is an area which Communities Scotland also recognised requires to be addressed by the council. Following consideration of options this is best achieved by realigning the current portfolios included in the land and Environment Directorate. This would involve transferring responsibility for Housing Operations under a Head of Housing and Regeneration. The Revenues Section however would transfer to Central Finance under a combined Revenues and Benefits portfolio. The responsibility for Repairs, Maintenance and Technical Services with the addition of Estates would remain under the existing Head of Service. In respect of the Head of Land Services they would assume responsibility for Waste Services and Halls/Events and Bereavement Services. The responsibility for Finance and Strategy would lie with the Executive Director with the vacant Section Head post being used to address the issues around Housing Strategy.
- 6.35 Within Education and Cultural Services there are sub structural options to consider. There is no consistency of officer remit within the third tier group and Managers have differing portfolios and differing salaries. There is a case for realigning functions and posts and this should be recognised in the Council's ongoing Pay Modernisation work.
- 6.36 There will be a requirement for additional investment to meet expectations, increase capacity in priority areas and manage the transition and new arrangements. Our costings are based on current pay scales, the changes outlined above and the creation of a new Director of

Corporate Resourcing and an additional Head of Service in Social Work. It is anticipated that these posts will also be costed on a 'spend to save basis', with savings realised through a targeted drive for efficiencies and process improvement.

6.37 **recommendations to support effective implementation**

6.38 We consider it essential that the structural arrangements include the following components:

6.38.1 **Executive (strategic) Directors**

The new Departments are not intended to operate as traditional service delivery departments. Rather, the new Directors will be responsible for the corporate strategic management of the Council. Each will have a programme of strategic work to deliver, a portfolio of services to oversee, and a manageable number of corporate projects to drive forward, for example Sustainable Development and Transforming Public Services. Heads of Service will be responsible for managing groups of related services or, in some instances, a key work theme (e.g. Integration) or a customer/citizen segment (e.g. Children). Service Managers will manage individual services. The Chief Financial Officer also requires to be a member of the CMT, if this function is not fulfilled by the Director of Corporate Services.

6.38.2 **service synergies at Head of Service level**

With the strategic corporate management of the Council being the remit of the new Strategic Directors, responsibility for developing and maintaining service synergies will lie with Heads of Service. Their remits/portfolios and job descriptions should reflect this.

6.38.3 **functional responsibilities at Service Manager level**

Individual service managers will have responsibility for leading on the planning and management of service functions. We recommend refinement of titles (i.e. all to be titled Service Manager) at this fourth tier to provide greater consistency across departments.

6.38.4 **continuous improvement and integrated resource planning focus for the Corporate Resourcing Department**

Rather than the Corporate Resourcing Department simply being charged with the planning and delivery of a portfolio of central support service functions, we envisage that the role would involve far greater emphasis on the integrated planning and management of the Council's key resources – finances, built and fixed assets, information, technology and people. In each instance, we propose centralisation of the planning and management of these functions, combined with an appropriate level of staff being decentralised and assigned to work with each of the service departments, but still being managed by their relevant Head of Service (e.g. HR, Finance/ICT).

While this decentralisation would be the norm for finance, HR and ICT, its 'appropriateness' for other functions would be based on practical considerations regarding the nature of the support required and the extent of the pool of professional staff providing that resource (e.g. there are likely to be benefits in locating legal services at the corporate centre, with departments drawing on that resource as and when they need it). The extent of outposting of each function would be decided by the Director of Resourcing in discussion with his/her colleagues on the CMT.

6.38.5 **increased emphasis on building blocks of best value**

It is critical that the new structure promotes and embeds a new way of corporate working. This requires greater integration and input from departments into Corporate and Community Planning. We would recommend the formation of cross departmental task groups to promote and deliver on key strategic priorities formalising the current informal joint working on key issues between/across departments. We also recommend embedding performance management, programme management and project management in departments (rather than at centre) (including identifying input into corporate strategies and developing a manageable number of service strategies in each department; setting targets for continuous improvement; supporting management and staff development in pursuit of cultural change.

6.39 **clarifying roles and responsibilities**

6.40 We believe that there are a number of critical steps that the Council must take to clarify roles and responsibilities within the new structure. These are as follows:

1. Develop outcome-focused **job descriptions** for all senior manager posts (from Chief Officer down to Principal Officer levels) and associated competency-based **person specifications**. This should be done on a rolling programme (supported by HR), commencing with the Chief Executive, then Directors, then Heads of Service, then other Officers. These should replace any current job descriptions and person specifications, and provide a framework for future management development needs assessments and subsequent support. These – and our recommendations regarding recruitment in the next section – should provide a basis for a revised appointments process for all Chief Officers in the future.
2. Further refine and embed its management **appraisal and development framework**. The intention would be for the collective output from the exercise to inform the Council's priorities for people development and workforce planning. This should also include additional prompts on the Council's '**principles and values**' to ensure support for the behaviours associated with the desired cultural change.
3. Refine the current **Scheme of Delegation** to take cognisance of these new roles and responsibilities, the new member/officer protocol (see below), and the sub-committee and member/officer working groups recommended later in this report.

4. Invest in leadership, management and staff development. The design and implementation of a structured **leadership, management and staff development programme** is a further crucial part of the jigsaw. This would move beyond training and coaching for managers and other staff in key competency areas. Rather, it would be a comprehensive and tailored programme of professional development aimed at ensuring all staff had the skills, understanding and attitudes needed to fulfil their roles effectively. Its content would be heavily informed by the competencies identified as crucial for each tier of management and staff (and set out in the person specifications for these posts).
5. Development of a member/officer concordat to promote and encourage openness, transparency and a set of agreed behaviours and ways of working between members and officers
6. Establishment of a corporate business change function under the Head of Policy & Performance (delivered mainly through fixed term secondees) to promote and deliver business change across the council. This would include work on modernising service delivery through process improvements for example.

6.41 **populating the new structure**

6.42 It is essential that there is an open, fair and transparent process followed in populating the new structure (irrespective of the chosen option). We therefore propose the following:

1. the preparation of outcome-focused job descriptions and competency-based person specifications for all Director and Head of Service posts.
2. agreement on the significance of the Executive Director roles and an acceptance of the need to be competitive in the marketplace by enhancing salary levels for these posts
3. the preparation of an enticing and forward looking advertisement aimed at attracting a wide audience for posts into which matching does not take place
4. the development of further proposals for a matching process for Director, Head of Service, Service Manager and Section Head levels to ensure that, where appropriate, existing post-holders match into the proposed posts in the new structure. This process would be carried out in consultation with Trade Unions and relevant key stakeholders.
5. the development of a competency-based recruitment process for all internal and external candidates that could comprise of the following elements:
 - a) an objective assessment of applicants experience and competencies (using the job description and person specification) to prepare an initial long-list of candidates
 - b) a recruitment college approach, including
 - i. a written and verbal presentation around prepared scenarios

- ii. group work (to assess interactions)
 - iii. a formal competency assessment by appropriately qualified staff (likely including an element of psychometric testing)
 - iv. a formal short-listing interview
- c) a structured assessment of references for those initially short-listed
- d) a final structured interview process.

We strongly recommend a significant independent, external involvement in the process (at stages b, c and d), co-ordinated through the Local Government Improvement Service.

6. the development of redeployment and redundancy arrangements for those current internal candidates unsuccessful in their application for a new post.

7 Conclusions

- 7.1 There are a number of issues that our recommendations have aimed to address. In addition to maximising the impact in the priority areas highlighted in the Community and Corporate Plans, the recommendations aim to alleviate the concerns highlighted by Audit Scotland in their Audit of Best Value and Community Planning report, as well as addressing a number of further issues highlighted during our review. Our conclusions aim to be both deliverable and sustainable and recognise the unique position that the Council finds itself in.
- 7.2 With this in mind we propose:
- 7.3 A Corporate and Service Development structure led by Executive Directors building on the strengths of the existing service synergies but also addressing the capacity, strategic and operational challenges faced by the council. This model also places a greater emphasis on supporting the desired corporate outcomes. The structure is to be supported by a number of key building blocks and principles which will see investment in leadership and staff development, more emphasis on cross-cutting and corporate working and the embedding of a culture of continuous improvement and performance management.

8 Implementation plan

	Task	Timescale (by end)
1. Revised organisational structure	Consult with new Council	June 2007
	Agree the new structure	June 2007
	Liaise with Improvement Service re recruitment process	July - Aug 2007
	Matching or recruitment of Directors	September 2007
	New Directors in post	November 2007
	Matching or recruitment of Heads	October 2007
	Heads of Service in post	November 2007
	Matching or recruitment of Service Managers	December 2007
	Service Managers in post	December 2007
2. Clarification of roles and responsibilities	Draft Director job descriptions	July 2007
	Draft Director person specifications	July 2007
	Draft Head of Service equivalents	August 2007
	Develop appraisal framework	October 2007
	Refine current Scheme of Delegation	October 2007
3. The development of a Best Value culture	Establish Officer Group/Network(s)	August 2007
	Establish the Member/Officer Group	September 2007
	Develop Member/ Officer concordat	September 2007
4. Investment in organisational capacity and management development	Draft the leadership, management and staff development programme content	October 2007
	Commence informal discussions with external providers	October 2007
	Finalise the programme and tender	November 2007
	Establish a corporate business change function	January 2008

