

## GWYNEDD COUNCIL CABINET



<b>Date of meeting:</b>	<b>28 June 2022</b>
<b>Cabinet Member:</b>	<b>Cllr. Dyfrig Siencyn, Council Leader</b>
<b>Contact Officer:</b>	<b>Dafydd Gibbard – Chief Executive</b>
<b>Title of Item:</b>	<b>The Council's Senior Management Structure</b>

### The Decision Sought

The Cabinet is asked to -

- a) End the trial of operating with only one director and proceed with the usual recruitment process.
- b) Abolish the post of Head of Gwynedd Consultancy on the retirement of the current Head of Service and merge the Highways and Municipal Department and Gwynedd Consultancy as one new department.
- c) Transfer the Waste and Recycling units from the Highways and Municipal Department to the Environment Department and move one Assistant Head / Senior Manager post.
- d) Restart our Supporting People program by locating the relevant Assistant Head of Service as part of the Leadership Team, for a period of two years initially.
- e) Confirm that relocating elements of the Early Years and Youth Service from the Children and Families Department to the Education Department will be implemented by the Chief Executive.
- f) To delegate the authority for the Head of Legal Services to amend the Council's Delegation Scheme to reflect the changes as they come into effect.
- g) To note that the above changes will achieve an annual net revenue saving of approximately £81,000 which will sit within the Leadership Team for the time being until required.

### Background

1. A year has passed since I began in my role as Chief Executive and I have now had the opportunity to observe a full cycle of the Council's activities.
2. In May of last year, I noted that as a Council we would need to establish our operational needs and arrangements for the post Covid period, but that we would first need time to consider and identify all the challenges facing us in the coming years. I also noted that I did not think it would be sensible for me to make recommendations to meet our needs until we had had the opportunity to listen and learn from staff and Council Members, and over the past 12 months I have taken every opportunity to do so.

3. Now that a year has passed, that we are finally entering the post Covid stage and as we enter a new Council term, it is timely for me to outline the changes required, in my opinion, if we want to aim to provide the best possible services to the residents of Gwynedd.
4. Over the next period, there is a wide range of priorities that we wish to achieve as a Council. The need to divert our attention to cope with a global pandemic over the last two years has meant that some issues have had to take a back seat. Now that we are entering a new era we will need to revisit those issues as well as many other new priorities. The Council Plan contains over 40 individual projects which aim to address our Improvement Priorities with the following standing out as apparent issues that we want to move quickly to achieve:
  - a) Create a specific Regeneration Plan for each area of the county which will include town centre regeneration.
  - b) Complete our Sustainable Tourism Strategy in partnership with the National Park.
  - c) Complete the current phase of modernising education programme including looking at Post-16 education in Arfon and improving secondary education resources in the Bangor area.
  - d) Introduce the free school meals scheme for primary school children and the digital education strategy for all pupils.
  - e) Restart our Supporting People programme, especially in light of the impact the cost of living crisis will have on the well-being of Gwynedd residents.
  - f) Deliver our Housing Action Plan to tackle the housing crisis facing all communities.
  - g) Continue to seek better management of second homes and short-term holiday accommodation.
  - h) Complete the transformation of our adult care arrangements to establish suitable and sustainable services for the future.
  - i) Produce a new Local Development Plan.
  - j) Contribute to responding to the climate crisis by delivering our Climate and Nature Plan.
  - k) Improve our efforts to achieve clean and tidy communities.
  - l) Increase our domestic waste recycling percentage to meet national mandatory targets.
  - m) Prepare to face new financial challenges, yet again.
  - n) Make the most of new regional arrangements and opportunities e.g. CJC.
  - o) Ensure that we achieve by further embedding our Ffordd Gwynedd principles.
  - p) Improve our workforce planning arrangements to strengthen our ability to recruit staff to key posts across the Council.
5. It is important to note that Gwynedd Council is an authority that is already recognised as performing excellently and regularly received recognition by the Wales Audit Office, Estyn and the Care and Social Services Inspectorate. Last year we had 42 projects in the Council Plan and, despite the service pressures resulting from Covid, we were able to deliver 30 of these in total and 11 in part. We had only one project which we did not manage to complete.

6. This year we have 41 more projects that we want to achieve. It is a challenging plan and if we aim to achieve an even higher percentage of these projects then we will need to adapt our arrangements in-line with that aspiration.
7. The changes that I recommend below will enable us to build on our current performance, ensure that we are better placed to face the unprecedented challenges we will face whilst moving forward into recovery, and also deliver the Council Plan projects.

### **Corporate Directors**

8. In addition to contributing to the management and culture of the Council, the role of the Corporate Director, along with the Chief Executive, is:
  - Supporting the Cabinet, and individual Cabinet Members, in ensuring they commission the right things to improve service performance and deliver the Council Plan projects.
  - Support Cabinet Members to lead a programme of projects within their portfolio.
  - Ensure that Council staff deliver what is commissioned by Members.
  - Providing independent advice and assisting Cabinet Members in considering the proposals put forward by Heads of Department.
  - Assist cabinet members to challenge and improve performance.
9. The role of the Director currently places an emphasis on helping Members to commission departments and then holding departments to account for delivering on what has been commissioned. I believe that there is scope to extend that role slightly to include supporting departments and not just "holding them to account". This can be done by offering constructive challenge, facilitating cross-departmental collaboration and leading strategic projects to enhance the departments' ability to deliver on what Members have commissioned.
10. There are currently two Corporate Director posts on the Council's staffing structure. In his report to the Council cabinet in September 2019 the former Chief Executive recommended that an experiment be undertaken by not filling one of the Corporate Director posts when it became vacant. The report noted that there was no intention to remove the post, but to experiment without it for a period to enable us to learn the effects of the post not being filled.
11. Conducting such an experiment was sensible at the time as there was an opportunity to establish whether or not two Corporate Directors were required. At the time no one could have foreseen the extensive change it would face in 6 months' time and the tremendous pressure that Covid was going to place on our services. As a result, the need for sufficient resources to secure the highest level of support and guidance would be greater than ever if we were to take every opportunity to recover once Covid left us.

12. In considering whether we should continue to fill the current vacant post, we should be aware of the fact that the number of Directors held by the Council has reduced many times over the years, mainly as we sought to meet the need for financial savings. In 2003, the Council had a Chief Executive and 5 Directors (plus 14 Heads of Departments compared to the 10 we have today). The number of Directors was reduced to 3 in 2011 and then 2 in 2015. We have experimented with only 1 Director since 2019.
13. In looking at options for this tier of the Council structure I have also made a comparison with other councils in the North region. Although our needs should not be established by comparison with other authorities, it is a useful context given that we work daily with these partners on a number of regional programs and need adequate resources if we are to be able to take full advantage of the opportunities that arise from that work.
14. The structure of each Council is slightly different and the exact operating arrangements and variety within the functions of different individual posts make detailed comparisons difficult. However, a high-level comparison of the situation in terms of the number of top-tier officers highlights that our arrangements here in Gwynedd, when operating with one Director, is the exception:

<b>Council</b>	<b>Number of top tier officers (disregarding the CE post)</b>
Anglesey	4
Conwy	3
Denbighshire	3
Flintshire	6
Wrexham	7

15. Given the above, together with the impact that Covid has had on our services and aspirations as we embark on the Covid recovery phase, I believe that the trial period of operating with only one Director should come to an end. We know that the current Director is leaving her post this summer and I recommend that one of the Director posts currently on the structure be filled with a view to continuing to lead on issues of care and well-being, supporting people, safety community etc. This will include the role of Statutory Director of Social Services.
16. This will allow the second Director, along with myself, to focus on supporting the delivery of the improvement priorities across the rest of the breadth of services across the Council. Although operating with two Directors will still mean that we would have less resource at this level than other neighbouring authorities, together with our heads of Department I believe we can operate successfully in this way.

### **Gwynedd Consultancy (YGC)**

17. In considering the former Chief Executive's Management Review, on May 7<sup>th</sup>, 2019, the Cabinet decided to

*“...ask the Chief Executive to look again at the position of Gwynedd Consultancy to see if there is another way of achieving the objectives set out in the report in terms of management structure and further efficiency savings.”*

18. Shortly afterwards our attention was diverted to dealing with the pandemic which did not allow time to review the situation further before now.
19. Gwynedd Consultancy, although primarily a commercial entity, is currently a separate Department within the Council's structure. It is led by a Head of Department and an Assistant Head of Department who is responsible for the overall management and leadership of the department together with some specific operational matters which generate income through fees.
20. The commercial entity also creates significant local employment in a technical field, through the medium of Welsh. They employ around 150 staff and if they were a private company then they would likely be the largest Consultancy of its kind in North Wales. Its work is also well-known to external customers and their annual profits have steadily increased over the years. It is important to recognise that this is a credit to the whole Management Team.
21. The Department undertakes statutory functions in water and flood management and by combining the commercial and statutory functions, Gwynedd Consultancy is able to maintain high quality jobs whilst retaining the expertise within the county.
22. In addition to the Head of Department and Assistant Head, the management structure of Gwynedd Consultancy includes 4 managers who fulfil commercial functions that contribute approximately £600,000 per annum to the Council's budget. Protecting this element is essential as it is recycled to contribute to funding our frontline services.
23. Compared to other Council Departments' management structures, I cannot disagree with the outcome of the Management Review in 2019, which concluded that the Head and Assistant Head were disproportionate.
24. When considering how to tackle this there are three possible options:

**a) Continue as a separate Department with head only**

The advantage of this would be to keep the Consultancy together and thus protect us from the risk of diminishing profits which the Council currently benefits from. One of the strengths of the Consultancy is that it is able to offer a wide range of services through the medium of Welsh, under one roof. In discussing with each member of the Management Team individually, each emphasised the need to continue as one strong entity.

However, the disadvantage of continuing as a separate Department, as well as the fact that the department is small in comparison to the other Departments, is the sense created that the Consultancy is purely a commercial entity and their sole purpose is to generate profit. This is incorrect, and it is unfair on dedicated staff who

work there, as they also provide some important frontline services, especially in the area of local infrastructure, water and flooding. Some of these services are statutory where we have a responsibility to provide those services to the people of Gwynedd.

As a separate Department we would miss the opportunity to dispel the perception of others that fee earning is the Department's only priority and whilst discussing with the Management Team it was pleasing to listen to the aspiration of each of them to be recognised as those that offer quality services to the people of Gwynedd, and beyond.

**b) Dissolve the Department and split the individual services into several different departments**

Given the financial risks explained in option A, it would not be sensible to consider this option further. This is the definitive spot for members of the Management Team and is supported by the fact that many officers work on different projects and areas of work; some of them split their time between commercial activity and also deliver front-line service.

**c) Keeping the Consultancy together and relocating it under another Department and acting with an Assistant Head leading the Consultancy.**

Given the financial risks of diluting the commercial entity but again the need to take the opportunity to remove the perception that profit alone is the Department's priority, this is my recommended option.

Consideration could be given to locating the Consultancy in several different Departments and I have discussed this with a number of heads. Following those discussions and considering the similar areas of work in other sections I recommend that the Highways and Municipal Department would be most sensible to locate the Consultancy. The two departments have already shared the same Cabinet Member for many years and there is close collaboration between the two departments on a number of issues such as structure, roads and flooding.

Fortunately, the Head of Highways and Municipal has a good understanding of many of the Consultancy's areas of work and is already dealing with numerous customers and outsourcing in similar technical areas. With the help of the Assistant Head and Service Unit Managers, I have confidence that they will be able to continue to generate the income that the Council is currently benefiting from.

I am also convinced that merging the Consultancy with the Highways and Municipal Department will help the Consultancy in removing unfair historical perceptions and incorporating them more closely into the Council's core work of providing services to the residents of Gwynedd, especially given the desire that already exists within the Management Team.

25. In reaching this conclusion it must be noted that I am not entirely convinced that some smaller teams would be in the right place if they remained within the Consultancy, specifically

the Construction Unit, as the Housing and Property Department is by far their main client and transferring to that Department would be advantageous. The small team dealing with SUDS (water drainage issues) applications is another similar example, but in order to facilitate a smooth transition from Consultancy I do not want to make any further changes at present. However, I will continue to discuss this with the relevant Heads of department over the coming year before deciding if further action is needed.

### **The side-effects of merging the Highways and Municipal Department and Gwynedd Consultancy**

26. Combining two departments into one raises the need to ensure that there is a fair balance between the allocation of services among some departments. Adding Gwynedd Consultancy would mean overloading the Highways and Municipal Department with budget responsibility and significantly higher staff numbers than other departments of a similar nature.
27. Following the merger of Highways and Municipal and Gwynedd Consultancy most of our technical activity will be housed within the new Department, Housing and Property and Environment Departments.
28. The Housing and Property Department is still establishing itself as a new Department within the Council and is currently facing significant challenges and needs to be able to focus on our Housing Action Plan as it is one of the Council's main improvement priorities. The current homelessness crisis has significantly added to their emergency workload as well as currently leading on the relocating of Ukrainian refugees. I therefore do not believe that now is the right time to be extending the responsibilities of that department.
29. As far as the Environment Department is concerned, they also face significant challenges and are leading on several high priority areas that will need attention over the next period including the establishment of a new Local Development Plan and our response to the second homes problem. They are also under pressure in the transport and traffic areas of work with several high priority schemes in the pipeline and need to develop their specialist capacity and resilience in this area and Public Protection over the next year or two.
30. In addition, the Climate and Nature Plan is now being led within the Environment Department and this work is closely linked to the recycling agenda, which is currently within Highways and Municipal. Therefore, moving the two Waste and Recycling units from the Highways and Municipal Department to the Environment Department would not only create a better balance between the allocation of services within the two departments (along with staff numbers and budgets) but also allows us to bring our Climate services closer together and so I recommend doing so to address both issues with one move.
31. Once we have merged the Highways and Municipal department and Gwynedd Consultancy, the new department would be led by a Head and three Assistant Heads / Senior Managers which is excessive. I therefore recommend that one of the Assistant Head / Senior Manager posts be moved to the Environment Department in order to create a better balance of senior management capacity and work distribution, enabling them to fairly address the new areas of work on the Waste and Recycling.

32. In formulating the above recommendations, I also considered the merger of highways and traffic issues, not least because there is confusion among the public (and Members) as to who is responsible for what. However, I do not think that merging the two areas is the only way to address this. The two disciplines (maintaining road structure and managing people's travel behaviour) are two distinct disciplines and these activities are strongly linked to other areas of work currently within both departments. However, we must not allow this confusion to continue and so I will hold further discussions with both Heads to identify solutions that will provide a speedy resolution.

### **Supporting People**

33. Over the last two years the Council has directed more resource and effort into the area of supporting people than ever before. We have also had the opportunity to learn more about the needs of vulnerable people in Gwynedd than ever but despite this our cross departmental Supporting People programme has had to take a back seat and we have not been able to move it forward at the speed we had hoped.

34. The country as a whole is now facing a cost of living crisis which will have a further impact on the resilience of our communities and the challenges we face in poverty and so we will need to restart our Supporting People program as a matter of urgency.

35. In drawing up the division of responsibilities of Cabinet Members the responsibility for the Supporting People programme has already been allocated to the Deputy Leader, and that is to ensure that there is an understanding across the Council that this is a cross-departmental issue that everyone will need to contribute to.

36. However, the Assistant Head who is leading on this area of work (but who has had to divert her efforts to lead on a number of Pandemic issues over the last two years) is located within the Children and Families Department. The post was based in that Department at the time for a variety of different reasons, but mainly because we were unclear as to what exactly we would want to achieve in Supporting People.

37. The weakness of locating the role within the Department for Children and Families is the perception that the programme is solely the responsibility of that department and as the other departments with a role to play in this area have other high priorities, the Supporting People area has not been given the precedence that we will need to give it over the next year or two.

38. It is also arguable that we are still uncertain as to what exactly we need to achieve in this area, and what is within our power to achieve it. Therefore, in order to reinforce the need for this program to be owned across the Council, and to re-establish exactly what we will be trying to achieve, I recommend that the Assistant Head moves to the Leadership Team initially for a period of around two years. The post holder will also be able to lead on some strategic projects as part of their role within the Leadership Team

39. There are currently no operational units within the Leadership Team and I do not wish to create costly and complex unnecessary working arrangements. However, placing the post within the Leadership Team for a fixed period will ensure support and guidance from myself



and the director with responsibility for care issues, and at the end of the two years we can reconsider where the post should be permanently located on the basis of what we will have learned by then.

40. The knock-on effect of this is the need to consider where the two Service units that are currently the Assistant Head's responsibility, namely Early Years and the Youth Service, should be located. Both of these units have sat in several Departments in the past and I now believe that much of their work should be situated in the Education Department, as is already the case in many other Authorities. Some of the statutory responsibilities already lie with the Head of Education, both areas are part of Estyn's Local Authority inspection framework and the ALN legislation also supports the centralisation of responsibilities from 0 to 25 years, which span the inputs of the two service units involved. It is also very closely linked when considering early years capital schemes and the general support for preschool aged children. The two relevant Heads are also supportive of this move.
41. Whilst it is sensible to locate the Youth Service as a whole in the Education Department, it must be acknowledged that there is more than one element to Early Years work and further discussions will need to take place with the Relevant Heads, Assistant Head and Manager before concluding which elements should transfer to the Education Department and which elements should remain with the Department for Children and Families.
42. The only other side effect of relocating the Assistant Head of Children and Families Department is the gap left behind in terms of general operational support offered to the department. That could possibly be offset by drawing on support from the Business Unit which sits in the Adults Department (and should also support the Children's Department) but I will need further discussions with both Heads before be able to establish conclusively if that meets the need adequately or whether a new Senior Executive Officer resource will need to be provided to the Department for Children.

### **Financial Obligations**

43. The second Director post is already on the Council's staffing structure and so there is no additional cost to fill the post.
44. The removal of the post of Head of Gwynedd Consultancy and the supporting Assistant (following some minor adjustments) will result in an annual permanent net saving of approximately £81,000. The saving will sit within the Leadership Team for the time being until required and in case some further adjustments are needed following the above moves.
45. Following discussions with the Head of Highways and Municipal and Head of Environment, it will be possible to create the additional Assistant Head post in the Environment Department without additional cost by transferring a post from one department to another. This means that there will be no cost to this recommendation.
46. The change to Gwynedd Consultancy would not be possible without facilitating early retirement from the current Head of Service. The Head has agreed to retire a little earlier

than intended to enable these changes to take place in a timely manner. Delivering this change has a small one-off cost of £3,832 and will be funded corporately.

**Views of the statutory officers:**

**Monitoring Officer:**

*This involves a recommendation to review the Departmental Structure of the Council and strengthen the Leadership Team and reasonable and appropriate reasons for so acting are given. It is appropriate that the Cabinet considers and approves these changes given their scope and implications. Of course, it will be necessary to work within the Councils arrangements in relation to the appointment and employment of Chief Officers in taking elements forward. I will be in a position to act on the consequential changes to the delegation arrangements which are in Section 13(3) of the Constitution to ensure that the correct delegated powers are in the hands of the Departments.*

**Statutory Finance Officer:**

*I have assisted the author of the report with the financial information and am satisfied with its accuracy.*