

**Title: Transformation of Economy and
Environment Directorate**

Meeting: Environment and Sustainability Scrutiny Committee

Meeting date:

Report by: John Hobbs, Director of Economy & Environment

Classification

Open

Report purpose

To update on the transformation of the Economy & Environment Directorate.

Background

The topic generally was identified as requiring or benefiting from being scrutinised by a scrutiny committee.

Meeting objectives

1. Understand the transformed leadership structure and how it is performing currently, in particular where responsibility for delivering on the council's environmental priorities and targets, including net zero.
2. Has embedding a commercial mindset impacted on the delivery of these environmental priorities and targets.
3. Has transformation impacted on the overall resource dedicated to the environmental side of the directorate.
4. Explore the case for a more distinct operational area for environmental matters under the Corporate Director.

Report information

5. The transformation of the Economy and Environment Directorate was designed to strengthen strategic leadership, improve organisational resilience and enhance the Council's capacity to deliver a broad and increasingly complex portfolio of services. These services include economic growth, highways and transport, environmental sustainability, flood risk management, major infrastructure projects and public realm services.

6. The revised structure has created clearer lines of accountability, improved coordination between related service areas and enabled a more integrated approach to delivering corporate priorities. It has also strengthened the Directorate's ability to respond to emerging challenges, secure external funding and manage large-scale programmes that require collaboration across multiple disciplines and partner organisations.
7. Environmental priorities remain a core part of the Directorate's responsibilities. Climate change, biodiversity recovery, flood resilience, river health and sustainability objectives continue to be embedded within strategic planning, infrastructure investment, service delivery and decision-making processes.

LEADERSHIP AND ORGANISATIONAL DEVELOPMENT

8. Prior to transformation, responsibility for a wide range of operational and strategic functions sat across a limited number of senior management roles, creating significant spans of control and reducing capacity for transformational leadership.
9. The revised structure introduced additional leadership capacity to provide greater focus on key areas including growth, infrastructure delivery, major contracts and operational performance. This has enabled senior leaders to devote more time to partnership working, programme delivery, funding opportunities and long-term strategic planning while maintaining oversight of operational services.
10. Following implementation, the Commercial Director post was subsequently removed, reflecting the successful integration of commercial thinking and practices across the Directorate rather than within a single role. A further review of the structure is now being undertaken to ensure that it continues to support organisational priorities and delivers value for money.

ENVIRONMENTAL LEADERSHIP AND DELIVERY

11. The transformation has strengthened the Directorate's ability to deliver environmental outcomes alongside economic and infrastructure priorities. Rather than operating as a standalone function, environmental considerations are incorporated into a broad range of activities, ensuring that sustainability objectives inform decision-making across the Directorate.
12. This integrated approach supports the delivery of key priorities including:
 - Net zero and carbon reduction commitments.
 - Climate adaptation and resilience planning.
 - Flood risk management and river restoration.
 - Biodiversity enhancement and nature recovery.
 - Sustainable transport and active travel initiatives.
 - Environmental considerations within infrastructure and development projects.
13. The Directorate has also strengthened collaboration with regional and national partners, helping to align local priorities with wider environmental strategies and funding opportunities.

COMMERCIAL AND STRATEGIC INTEGRATION

14. A significant objective of the transformation was to develop a stronger commercial culture that supports efficient service delivery and maximises available resources. Commercial

principles are now embedded throughout the Directorate and applied to procurement, contract management, programme delivery and funding bids.

15. Importantly, this commercial approach has not diminished environmental ambitions. Instead, sustainability considerations are routinely incorporated into procurement exercises, investment decisions and contractual arrangements. This ensures that environmental outcomes are considered alongside financial and operational objectives.
16. Examples include environmental requirements within major contracts, investment in low-carbon transport initiatives, fleet decarbonisation measures and schemes that improve resilience to climate-related risks.

RESOURCES AND CAPACITY

17. The transformation has maintained, and in some areas strengthened, the Directorate's environmental capacity. Dedicated teams continue to lead work relating to climate change, energy management, flood risk and environmental improvement, while benefiting from closer integration with highways, transport, planning and infrastructure services.
18. The expansion of flood risk management capacity demonstrates the Council's commitment to addressing increasing environmental challenges and supporting communities affected by flooding. At the same time, specialist officers continue to secure and manage significant external funding streams that support delivery of environmental and sustainability programmes.
19. The revised structure also enables environmental expertise to influence a wider range of corporate activities, embedding sustainability considerations across multiple services rather than limiting them to a single service area.

CONSIDERATION OF ALTERNATIVE STRUCTURES

20. An alternative approach would be to establish a standalone environmental division with dedicated leadership and reporting arrangements. While this could raise the visibility of environmental services, it may also create separation between environmental objectives and the infrastructure, transport, planning and economic development decisions that significantly influence environmental outcomes.
21. The current integrated model supports a more joined-up approach, allowing environmental priorities to be considered alongside economic growth, infrastructure investment and community outcomes. This helps ensure that sustainability considerations are embedded in decision-making rather than treated as a separate workstream.

CONCLUSION

22. The transformation of the Economy and Environment Directorate has improved leadership capacity, strengthened accountability and created a more integrated approach to delivering complex corporate priorities. Environmental objectives remain central to the Directorate's work and continue to influence decision-making across infrastructure, transport, growth and operational services.
23. By embedding environmental considerations within broader service delivery arrangements, the Directorate is better positioned to balance economic, social and environmental priorities while delivering long-term outcomes for residents, communities and the county as a whole

Consultees

None.

Appendices

None.

Background papers and resources

None.