



NOTICE OF MEETING

EMPLOYMENT COMMITTEE

WEDNESDAY, 13 FEBRUARY 2019 AT 4.00 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Vicki Plytas 02392 834058

Email: vicki.plytas@portsmouthcc.gov.uk

If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Gerald Vernon-Jackson CBE (Chair)

Councillor Donna Jones (Vice-Chair)

Councillor Yahiya Chowdhury

Councillor Hugh Mason

Councillor Darren Sanders

Councillor Luke Stubbs

Standing Deputies

Councillor Simon Boshier

Councillor Ben Dowling

Councillor Gemma New

Councillor Robert New

Councillor Matthew Winnington

Councillor Rob Wood

(NB This agenda should be retained for future reference with the Minutes of this meeting.)
Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendation/s). Email requests are accepted.

A G E N D A

1 Apologies for Absence

2 Declarations of Members' Interests

3 Exclusion of Press and Public

In view of the contents of the following item on the agenda the Committee is **RECOMMENDED** to adopt the following motion: "That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of the following item on the grounds that the report contains information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972"

The public interest in maintaining the exemption must outweigh the public interest in disclosing the information. Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012, regulation 5, the reasons for exemption of the listed item is shown below.

(NB The exempt/confidential committee papers on the agenda will contain information which is commercially, legally or personally sensitive and should not be divulged to third parties. Members are reminded of standing order restrictions on the disclosure of exempt information and are invited to return their exempt documentation to the Local Democracy Officer at the conclusion of the meeting for shredding.)

Item	Exemption Para No.*
------	---------------------

**4. Senior Management Structure Support Services
(Exempt Appendix 4 only)**

1 and 2

***1. Information relating to any individual**

***2. Information that is likely to reveal the identity of an individual**

4 Senior Management Structure - support services (Pages 5 - 26)

(NB Provision has been made to move into exempt session if required as Appendix 4 is exempt)

The purpose of the report is

- (1) To advise Employment Committee of the outcome of the consultation on the proposed changes to the senior management structure of support services.
- (2) To seek Member approval for changes to the senior management structure in accordance with the process set out in the December report.
- (3) To seek Member approval of the requests submitted in accordance with the Council's policy on voluntary redundancy (VR).

RECOMMENDED

- (1) That the Committee**

- i. **Consider and determine whether or not to accept one or both of the two requests for voluntary redundancy received from the Directors directly affected by the proposals, as part of its deliberations about future structure.**
- ii. **Adopt Option 2, as set out in paragraph 8.3.**
- iii. **Consider removing the 'Deputy Chief Executive' role, with the Chief Executive making arrangements with Directors on a rotation basis when he is unavailable, as has operated previously.**
- iv. **Slot the current Director of Finance into the Director 2 role.**
- v. **Determine that an appointment process be undertaken to appoint to the Director 1 vacancy.**
- vi. **Should the Committee accept the VR, then the Director of Culture Leisure and Regulatory Services be invited to taken on the leadership of the Council's support and interface with the Voluntary Sector.**
- vii. **Recommend to Full Council that the Deputy Monitoring Officer be appointed to the Monitoring Officer role and become the City Solicitor.**

(2) If the Committee chooses not to accept the VR requests:

- i. **That the Committee consider the implications of not accepting the VR requests, noting that if any of the VRs are not accepted, compulsory redundancies will be necessary to make the necessary savings.**

Members of the public are permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting nor records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

Whilst every effort will be made to webcast this meeting, should technical or other difficulties occur, the meeting will continue without being webcast via the Council's website.

This meeting is webcast (videoed), viewable via the Council's livestream account at <https://livestream.com/accounts/14063785>

This page is intentionally left blank



Title of meeting:	Employment Committee
Date of meeting:	13 February 2019
Subject:	Senior Management Structure - Support Services
Report by:	Chief Executive
Wards affected:	N/A
Key decision:	No
Full Council decision:	No

1. Purpose of Report

- 1.1 To advise Employment Committee of the outcome of the consultation on the proposed changes to the senior management structure of support services.
- 1.2 To seek Member approval for changes to the senior management structure in accordance with the process set out in the December report.
- 1.3 To seek Member approval of the requests submitted in accordance with the Council's policy on voluntary redundancy (VR).

2. Recommendations

- 2.1 That the Committee:
 - i. Consider and determine whether or not to accept one or both of the two requests for voluntary redundancy received from the Directors directly affected by the proposals, as part of its deliberations about future structure.
 - ii. Adopt Option 2, as set out in paragraph 8.3.
 - iii. Consider removing the 'Deputy Chief Executive' role, with the Chief Executive making arrangements with Directors on a rotation basis when he is unavailable, as has operated previously.
 - iv. Slot the current Director of Finance into the Director 2 role.
 - v. Determine that an appointment process be undertaken to appoint to the Director 1 vacancy.
 - vi. Should the Committee accept the VR, then the Director of Culture Leisure and Regulatory Services be invited to taken on the leadership of the Council's support and interface with the Voluntary Sector.
 - vii. Recommend to Full Council that the Deputy Monitoring Officer be appointed to the Monitoring Officer role and become the City Solicitor.

- 2.2 If the Committee chooses not to accept the VR requests:
- i. That the Committee consider the implications of not accepting the VR requests, noting that if any of the VRs are not accepted, compulsory redundancies will be necessary to make the necessary savings.

3. Background

- 3.1 A report on the senior management structure of support services was considered at Employment Committee on 4 December 2018. The committee expressed its intention to seek a reduction of two Director posts in support services. It was agreed that formal consultation with staff and trade unions should be undertaken on the basis of the deletion of two Director posts and that the results of the consultation should be brought back to the Committee.
- 3.2 The proposals consulted upon, set out in Appendix 1, reduce the number of support services directors from 4 to 2 to meet the Administration's intention to secure £100,000 p.a. net savings from the senior management of support services.

4. Consultation and Procedure

- 4.1 The proposals considered at Employment Committee in December 2018 had direct implications for staff whose posts were 'at risk' as a consequence. In accordance with the Council's Organisational Change policy, the unions and senior management affected were advised of the proposals being considered at the earliest opportunity.
- 4.2 During the process of consultation and in line with the Council's policy, Directors (excluding the Statutory DASS and DCS Directors and the Director of Public Health) were asked whether they wished to be considered for voluntary redundancy. An additional request for voluntary redundancy has been received from within the group of four directly-affected Directors. Two requests for voluntary redundancy have therefore been received.
- 4.3 Consultation took place with those directly affected and the trade unions in accordance with the legally-prescribed timescales. Consultation was also undertaken with support services staff and customers of support services. Support services staff were invited to comment on the proposals and whether there were any specific matters that needed to be considered regarding where services best reported in any new structure. Staff who were customers of support services were also invited to comment on the proposals from an end-user perspective.

5. Methods of Consultation

- 5.1 Following the Employment Committee meeting, the Chief Executive wrote individually to the Directors directly affected on 6 December 2018 and sent an email to staff on 10 December 2018 confirming that there would be consultation and an opportunity for staff to provide feedback on the proposal. Details of how to provide feedback were sent to staff on 3 January 2019. A news article was published on the intranet the same day. This was followed by an article "In the Know" on 15 January

2019 reminding staff of the opportunity to provide feedback. A final corporate communications email was sent to staff on 17 January 2019 reminding them of the closing date for feedback.

6. Representations received during the Consultation Period

- 6.1 Detailed representations and alternative proposals were submitted by one of the Directors directly affected. These are set out in full at Appendix 2.
- 6.2 Representations were also received from Unite the Union (Appendix 3). In summary, whilst recognising the need to make savings this focussed on concerns with regard to capacity of senior managers, the impact on those that remain (and the potential for re-grading claims) and the potential for mistakes to be made which could have an adverse effect on residents and service users. The Unite response questioned whether, as an alternative, additional income streams could be developed using existing staff resources to offset savings. There was also commentary on the current numbers of councillors per ward and the current election cycle and whether savings could be made in that regard.
- 6.3 86 responses were received through the dedicated mailbox. The majority of these were from Customer & Communications (35) and Finance and IT (38). 21 respondents preferred Option 1, with 26 preferring Option 2 and 39 not expressing a particular preference. Inevitably, some comments address issues of structure and alignment within and between service areas as well as at Director level.
- 6.4 The key themes from the representations can be summarised as follows:

Finance, IT, Procurement and PFI

Finance

- A couple of suggestions received that the HR People Centre/Payroll/EBS merge to create efficiencies. (This was also suggested by Revs & Bens colleagues). There was also a suggestion that the EBS team in Finance and the EBS system in HR be merged.

IT

- All IT respondents support IT being split from Procurement - feedback suggests that staff in IT do not think these services work well together and they can't see the alignment.
- 20 staff reported that they are unhappy with the current arrangements in IT - all have specific concerns around:
 - Low staff morale
 - Lack of leadership
 - Lack of trust from staff and customers
 - Reduction in service to customers and that they are now viewed negatively by customers.

- The majority of IT respondents have requested that IT is led by an IT professional as they perceive this to be the reason the service has declined in recent years.
- There is concern about how the budgets of IT/Procurement have been managed and how the budget would be divided if they split.
- There is concern that splitting IT and Procurement will leave gaps in IT due to the work of the Commercial team (category management, software licensing, purchasing of all IT equipment, client side administration of IT contracts and IT business support) that spans across both areas.
- Many respondents from IT have requested that the Commercial team is moved back to IT (from Procurement).

Procurement

- Procurement management support the Commercial team remaining with Procurement.
- All (non-management) members of the Commercial team have responded and requested that the team be moved back to IT. Some members of the team feel they solely work on IT duties.
- Commercial team colleagues feel that they need to be located with IT (their customer) to understand their needs and work in partnership with them.
- Many comments suggest that Procurement should be in the same Directorate as Legal as their work is linked.

PFI team

- Some respondents have suggested this should be moved back to Regeneration as the previous structure was more effective as they work closely with Highways and Transport.
- One respondent suggested that the different functions of the Colas contract should be managed in different Directorates depending on where the synergies are.

Community and Communication

The majority of respondents from this area support Option 2 - many respondents have said they are aware that this model works well in other Local Authorities.

Communication

- The majority of respondents think the close working relationship between the City Helpdesk, Communications, the Design Team and the Digital team has really helped to streamline and improve the service. Significant work has already been done to integrate these services.
- Some respondents have suggested that Graphic Design should stay with the Digital team and Communications as a unified service for the Council and to generate income. Most of the clients they work with want services that span more than one team.
- One respondent suggested that Corporate Complaints should not report directly to the Chief Executive as this would negate the impartiality of Stage 3 of the Complaints process as the line manager would be the Chief Executive.

- One respondent suggested that Option 2 would create an opportunity for marketing and communications to play a more strategic role in the organisation with opportunities to work more closely with strategy and corporate performance. The same respondent suggested that marketing positions scattered across PCC are transferred to the central marketing function, (as there is currently a lack of co-ordination and clear strategy) and that this would provide support for major schemes, inward investment and help improve the city profile.

Revenues and Benefits

- Overall positive feedback from R&B colleagues about currently working closely with Finance and that this will be able to continue.
- R&B staff are pleased to see that the proposal doesn't split Revenues and Benefits, as considerable work has been carried out in recent years for cross service working.
- One respondent felt that R&B sat better with Housing.

Equalities

- There were two different suggestions as to where Equalities best sat in the new structure - with Community & Voluntary Sector or with Culture, Leisure and Regulatory Services.

Elections, Data Protection and FOI

- They have a positive close working relationship with the City Solicitor. It was suggested that these service best sat with Legal services under Director 1.

Lord Mayor

- It has been suggested that this team move to the Events team in Culture as they work together informally on a daily basis.
- Lord Mayor's team have no shared tasks or goals with FOI, Elections, Members' Services and few with Democratic Services.

HR, Legal and Performance

HR

- Concern about senior management capacity in HR noting the reductions that have taken place at this level in recent years (from 5 to 2 and now to potentially to 1 senior officer).
- Strategy Manager currently provides some capacity to HR which may also be removed.
- Capacity at senior levels would be thin (in comparison to other support services e.g. Finance and IT).
- Reduction in resources taking place is in a climate of securing external clients and partnering with other local authorities.
- Concern about reductions in Business Partner capacity following budget decisions.
- Need to consider knock-on impact in terms of potential requests for re-evaluation and whether additional resources/investment of savings is required.

Strategy

- Concern about loss of senior management capacity for Strategy from a Director.
- Option 2 was the preferred option as it would build on the positive working relationship that already exists and enable the team to have more direct influence and work towards organisational priorities, but concern that this would put an additional burden on the Chief Executive.
- Noted that the link between Strategy and Pay and Policy would be removed (as is the link between Digital services and IT).

7. Applications for Voluntary Redundancy

- 7.1 During the process of consultation and in line with the Council's policy, an additional request for voluntary redundancy has been received from within the group of four directly-affected Directors. Two requests for voluntary redundancy have therefore been received.
- 7.2 Requests for VR at this level are to be determined by the Employment Committee. Voluntary redundancy is considered to be an appropriate measure to avoid compulsory redundancies. The two requests need to be considered and determined by the Employment Committee as part of any deliberations about future structures. It should be noted that acceptance of the two VR requests does not preclude the need for an appointment process to take place for Director 1 to ensure that the post can be filled by an appropriately skilled and experienced individual. Should the remaining Director affected not fill that post, then a further redundancy may arise. The financial implications of the requests are set out in the exempt financial Appendix 4.

8. Response in the light of the Representations

- 8.1 Members have previously been advised of the concerns of further reducing the senior management capacity of the organisation, particularly given the income received from the provision of senior management services to other councils and agencies. Regardless of this, it has been recognised that the Council does need to increase senior technical capacity in both Finance and IT, and this will be addressed regardless of the senior management structure the committee decides to implement and is already provided for within existing budgets. Capacity issues have also been raised through the consultation with regard to HR, and these will similarly need to be appraised once Members' preferences on the Director structure are known.
- 8.2 With regard to the responses received to the consultation, the consensus of opinion from the wider organisation (whilst recognising capacity concerns and the potential for knock-on impacts for third tier officers) is broadly supportive of the proposals.
- 8.3 There is little difference in expressed preference between the options consulted upon, with many of those responding not expressing a preference for either of the options proposed but rather commenting on specific aspects. Having considered the responses in detail, I would advise Members to adopt Option 2. Given the pressures on Directors, having Communications, Digital and Customer Services

and Strategy reporting in to the Chief Executive would provide additional capacity to Director 1, noting that I already have a close working relationship with those teams and noting that the issue raised about the Corporate Complaints procedure can be overcome without diminishing its independence. I would also recommend that if the VR requests are accepted, then the managerial responsibility for the Voluntary Sector is moved to the Director of Culture, Leisure and Regulatory Services. I would also suggest that if the Employment Committee accepts the request for VR by the current City Solicitor and Monitoring Officer, that the Committee recommends to Full Council that the Deputy Monitoring Officer be appointed as City Solicitor and Monitoring Officer (Gosport Borough Council will make its own arrangements). I would also recommend that Employment Committee consider removing the 'Deputy Chief Executive' role and I will make arrangements with Directors on rotation when I am going to be unavailable, as has operated previously.

- 8.4 There was broad support for the grouping of functions under Director 2. Those directly affected were consulted on the proposal in relation to slotting the current Director of Finance into this role. The rationale for "slotting in" was because there is a requirement under S.113 of the Local Government Finance Act 1988 for the S.151 Officer (a role which will be carried out by Director 2) for the post holder to be a member of a specified accountancy body. (There are no specific legislative requirements in relation to the Director 1 role). There were no representations to the contrary, I would recommend that is what the Employment Committee should therefore slot the current Director of Finance into this role.
- 8.5 Members will note the strength of feeling in relation to the IT service, including its tangential relationship to Procurement and the role of the Commercial team which spans both IT and Procurement. I am supportive of the desire to see the IT function led by an IT specialist and, if Members are in agreement, would propose that this is taken forward with the Portfolio Holder for Resources, consulting with those directly affected separately from this consultation. Any additional costs incurred as result of this would be considered as part of an overall management review of IT and Procurement and, as with any service re-organisation, re-configured within the overall budget available for the Service.

9. Next Steps

- 9.1 Having considered the feedback to the consultation Members need to decide which structure best meets their needs and the circumstances of the Council. This is a complex set of considerations, always bearing in mind that the right structure is helpful, but is not the over-riding determining factor for a successful organisation. For purposes of clarity, my key recommendations are summarised below and illustrated at Appendix 1:
- That the Committee consider and determine whether or not to accept any of the two requests for voluntary redundancy received from the Directors directly affected by the proposals, as part of its deliberations about future structure (paragraph 7 above).
 - That the Committee slot the current Director of Finance into the Director 2 role (paragraph 8.4).

- That the Committee adopt Option 2 with Communications, Digital and Customer services and Strategy reporting in to the Chief Executive (paragraph 8.3).
- That the Voluntary Sector staff report in to the Director of Culture, Leisure and Regulatory Services (paragraph 8.3).
- That an appointment process be undertaken to appoint to the Director 1 vacancy (paragraph 10 below).
- That subject to its decisions on the VR application, Committee recommends to Full Council that the Deputy Monitoring Officer be appointed to the City Solicitor and Monitoring Officer role.
- That Employment Committee consider removing the 'Deputy Chief Executive' role and I will make arrangements with Directors on rotation when I am going to be unavailable, as has operated previously.

9.2 If the Committee chooses not to accept the VR requests, I would advise as follows:

- That the Committee consider the implications of not accepting the VR requests, noting that if VRs are not accepted, compulsory redundancies will be necessary to make the necessary savings. Also that if they are accepted, it is also possible that a further compulsory redundancy could arise.

10. Appointment to New Structure

10.1 In the light of the responses to the consultation, the financial appendix, and my recommendations, the Employment Committee needs to consider its preferences and its attitude to the requests for VR. Following this, appointments will be carried out in accordance with the process outlined to Employment Committee on 4 December 2018. Should, as recommended, the current Director of Finance be slotted in to Director 2 and as set out in paragraph 8.4 above, the only appointment that may need to be made by the Employment Committee will be to the Director 1 post. An appointment panel will be convened (in line with the Constitution) to carry out that activity, should the Committee determine this to be necessary given the scope of the new role. In the event that any individual is unsuccessful at interview, they will receive redundancy pay in line with the Council's Redundancy policy, unless they are successful in securing 'suitable alternative employment' during their notice period.

11. Equality Impact Assessment

11.1 A preliminary Equalities Impact Assessment has been undertaken.

12. Legal Implications

Given that within the context of any change of structure there is a risk of challenge such threat is minimised by the process of accurate and engaged consultation. The options as set out would afford the employer with a potential defence to a claim based upon unfairness (substantive) in that both option one and two are within a band or range of reasonable responses assuming that the initial hurdle of establishing a redundancy situation exists at law. The existence of a potentially fair reason for dismissal at law (redundancy) can be so established given that as against a background of savings being required there is need to rationalise the number of posts within the pool of selection which has been fairly constructed

following an ACAS and common law compliant process. Given the current payments paid upon a redundancy any claim before an Employment Tribunal would be of limited cost given: the current statutory maximum payment, the payments made by PCC, a duty to mitigate one's own loss coupled with orders for costs rarely being made. The processes and policies of PCC post decision to dismiss are again fair and robust (alternative employment/re-deployment etc.) which again seek to mitigate the risk of challenge.

13. Financial Implications

The financial implications of the recommendation to approve the two requests for voluntary redundancy are set out in appendix 4. The indicative net saving to the General Fund is £131,000 in 2019/20 (based upon an effective date of 30 June and excluding any redundancy and pension strain costs). The full year indicative saving is £149,000. Exit costs (pension and redundancy costs) will be met from the MTRS Reserve. Other financial implications referred to in this report relating to Finance and IT do not arise as a direct consequence of the recommendations contained within this report.

.....
Signed by:

Appendices:

- Appendix 1 Proposals outlining options 1 and 2
- Appendix 2 Representations from one of the Directors directly affected
- Appendix 3 Representations from Unite the Union
- Appendix 4 Exempt (Financial Implications)

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Appendix 1 - Proposals outlining Options 1 and 2

Intranet page: Support Services Senior Management Review

Support services senior management review

As part of their budget proposals and the need to find £4m savings in the coming year, the administration has asked that we find £100,000 savings per year from the senior management of our support services.

Employment Committee considered options to achieve the savings at its meeting in December and asked the chief executive to consult with staff on deleting two director posts from support services.

The areas included in this are the deputy chief executive; the director of finance and information services; the director of HR, legal and performance; and the director of community and communication.

Below are two proposals for how the services could be restructured.

Option one places the relevant services within two directorates. Being mindful of the large scope of some of these services and the size of directorate this might create, option two suggests some services reporting directly into the chief executive. These were selected because of the existing close working relationship between the teams and the chief executive owing to the corporate nature of their work.

In both proposals it is proposed that directorate 1 includes the deputy chief executive and monitoring officer functions and directorate 2 contains the section 151 officer function.

One affected area not listed below is the voluntary sector teams. This is because both options propose they move from the existing community and communications directorate to report in to the director of culture, leisure and regulatory services.

Option one	
Directorate 1	Directorate 2
HR	Finance
Legal	Audit
Democratic services and elections	Revenues and benefits
IT	Procurement

Communications, digital and customer services	PFI Team
Strategy	

Option two		
Directorate 1	Directorate 2	Chief executive
HR	Finance	Communications, digital and customer services
Legal	Audit	Strategy
Democratic services and elections	Revenues and benefits	
IT	Procurement	
	PFI Team	

If you are in a support service, this is your opportunity to comment on the proposals and let us know any specific matters we need to consider regarding where services sit in a new structure.

If you are a customer of our support services you may also wish to comment on the proposals from an end-user perspective.

Please send any views you would like to share about these proposals to senior.management.review@portsmouthcc.gov.uk by 10am on 21 January 2019.

If you are a union member, you may wish to send any feedback via your trade union. If so, please contact

- GMB - Adrian.Baker@gmb.org.uk
- Unison - donna.abrahart@portsmouthcc.gov.uk
- Unite - UnitetheUnion2@portsmouthcc.gov.uk

Once the consultation is closed all responses will be reviewed and the chief executive will use them to inform his report to employment committee on 7 February.

Appendix 2 - Representations from one of the Directors directly affected

Response to Consultation on Senior Management Structure

I have read the proposal to change the senior management structure within support services, and respond as follows:

- **Capacity**

The proposal totally neglects capacity issues in the service areas in question. It appears to be based on an assumption that existing directors exist in some kind of ephemeral strategic space and do not contribute to the actual activity that goes on in service areas. This is clearly not true. Directors are very actively involved in the day to day activity of service areas, as well as representing those service areas and professions externally. Pressures on capacity are actually increasing, and the resources required to support, for example, the integration of health and care services, are significant. Also, senior and middle management in most areas have reduced significantly in recent years, meaning that existing middle managers are already over-stretched. It is totally unrealistic to expect existing managers to simply absorb additional tasks resulting from having fewer directors. Examples of reducing management capacity include:

- HR - previously had a Head of Service plus 4 senior managers. Now has just 1 senior manager who also covers Gosport BC and external clients including the CCG. Members have already accepted a saving to cut a Business Partner in 2019, and the L&D Manager is also approaching retirement
- Legal - previously had 2 senior managers, now reduced to 1
- Internal Audit - Chief Internal Auditor now shared with a number of other councils

In addition to this, the capacity required corporately at senior level is not reducing, and so cutting senior managers at the present time is likely to result in the Council having to buy-in additional support and expertise, at considerable additional cost.

- **Commercial/Trading Activity**

The proposal generally neglects the commercial/shared service agenda that is extremely significant for support services. The HR Legal & Performance directorate has been particularly successful in developing commercial opportunities, greatly reducing the cost of the service to the Council. However, these commercial arrangements need to be maintained and renewed, which has a large dependency on existing senior managers and their relationships with external clients. The financial implications to the proposal should reflect the fact that commercial activity is likely to reduce as a result of the reduced leadership capacity

- **Flawed Business Case**

Recent history of senior management restructures has shown that, when looked at over the medium term, they do not actually deliver any savings, and in fact tend to cost the Council money. This is because there is still a requirement for the same work to be done, and so either job roles are recreated in future, or middle-managers are regraded to reflect the additional work that is pushed down to them.

I have expanded on this in greater detail in the attached note that the Leader asked me to provide on this subject.

I would particularly emphasise that the proposed structure effectively returns the Council to a Strategic Director/Head of Service model (albeit using different job titles). It is inevitable that the key professional areas such as HR, Legal, IT and Revs and Bens will require senior managers to run them, and the pay for those roles will be consistent with previous Head of Service roles - i.e. band 16/17 - the equivalent of director roles proposed for deletion.

I said during earlier discussions that for the consultation to be meaningful, it would need to include details about how the "3rd tier", or management layer below the directors, would look. This is necessary not just to understand properly the professional and leadership demands of the new director roles, but also to assess whether any suitable alternative employment would be available for those employees at risk of redundancy from the proposal. It is far too simplistic just to refer to generic service areas such as "HR" as this does not mirror existing management arrangements. I am disappointed that this information is not included in the proposal.

- **Proportionality of Proposal to Savings Requirement**

Overall, the proposal is disproportionate in relation to the stated savings requirement. As one officer has already applied for voluntary redundancy, saving £76k per annum, making a further senior manager redundant in order to meet the remaining £24k saving is totally disproportionate in relation to the level of cost and risk involved. I believe that alternative proposals equating to £24k - either savings or new income - could easily be identified with far lower levels of risk and disruption, and without the considerable redundancy costs involved in removing senior managers. It is regrettable that directors were not asked to identify suitable equivalent savings prior to this proposal being made.

- **Monitoring Officer Role**

Whilst it is accepted that the monitoring officer role is a particularly important one at PCC, I do not feel that it is necessary for this role to sit personally with the "director 1" role. Other options should also be considered, including merging the monitoring officer role with that of Head of Legal or Chief Internal Auditor, or retaining it as a stand-alone post (see alternative proposals attached). Other similar councils manage to operate very effectively with the MO role positioned in that way. The directors in the proposed structure will need have excellent leadership and service management skills, and there is a risk that, by placing too great a weight on the MO role, these wider leadership and management accountabilities of the role will be under-stated and neglected.

- **Alternative Proposals**

I have provided 2 possible alternative proposals, both of which would deliver the required £100k savings, whilst (in the case of the first option) greatly reducing redundancy costs. Both proposals would also ensure the effective provision of the Monitoring Officer role, whilst also allowing "Director 1" to focus on leading and managing the complex range of services in the directorate.

Alternative Proposal 1

Director 1	Director 2	Monitoring Officer/City Solicitor (stand-alone role)
HR Strategy IT Communications	Finance Revenues & Benefits Internal Audit Procurement	Legal Democratic Services

In this proposal the Monitoring Officer is a stand-alone role, with management responsibility for Legal & Democratic Services. The pay band for this role is estimated at Band 17/18, thereby delivering a saving of £20-40k compared to current band 19 post. This, coupled with VR of remaining director delivers savings totalling £100-120k per year. Deputy Chief Executive role is held by either Director 1 or Director 2, or by one of the other senior directors in the council.

Alternative Proposal 2

Director 1	Director 2	Chief Executive
Legal (including Monitoring Officer role) HR IT Democratic Services	Finance Revenues & Benefits Internal Audit Procurement	Strategy Communications

In this proposal, the monitoring officer role is positioned with the Head of Legal role, as a direct report to Director 1. This ensures that the statutory monitoring officer function is delivered, while freeing up the director is focus on providing leadership and management across the complex range of service areas in the directorate

Appendix 3 - Representations from Darin McCloud on behalf of Unite the Union

Hi Helen,

With regards the senior management review I have a few points I wish to raise.

I understand the need to make savings and they should be made at the top level as well as throughout all levels of the council, I can see how one redundancy can be accommodated the fact it is voluntary redundancy will no doubt cost PCC more in the long run (this is not the main issue just an observation).

The fact that PCC is looking to make another senior manager redundant and how light this will make the top structure seems crazy to be even thought about, how can the other senior managers that will be left to pick up the shortfall cope we already hawk them out to raise revenues with other councils they are directors of PCC own companies.

I really can foresee issues moving forward whereby we place so much work on seniors managers that mistakes could be made something could get overlooked and at the very top level my real concern is that staff could end up suffering as a result of this but also it could affect members of the public our customers service users etc and the really big one would be any financial cost/penalty/fine that could in the worst case scenario cost the council more than the savings trying to be sort or bankrupt PCC. Bearing in mind it will take 2 or 3 years for the savings to actually kick in.

In moving forward these senior managers could apply for regrading as they end up with more responsibilities and we reduce the savings costs in future years. I have noticed that the current administration is a little risk adverse and cautious and maybe we need to make them fully aware of the potential risks and size of risk involved also at this level we should be looking at raising more revenue streams with the staff we have as a better alternative.

I really do hope that during this process these and other issues are dealt with in such a way as to not only protect the staff and our union members but PCC and the residents as well.

I have always advocated that PCC should go to 2 councillors per ward and a 4 yearly election cycle this would bring a tangible real saving to PCC yet the councillors seem unwilling to help the city they claim to represent in making savings whilst keeping vital services going in the city securely and safely.

Kind Regards

Darin McCloud
Unite Senior Shop Steward
Portsmouth City Council

This page is intentionally left blank

Equality Impact Assessment

Preliminary assessment form 2018

www.portsmouthccg.nhs.uk

www.portsmouth.gov.uk

The preliminary impact assessment is a quick and easy screening process. It should:

- identify those policies, projects, services, functions or strategies which require a full EIA by looking at:
 - negative, positive or no impact on any of the equality groups
 - How are going to mitigate or remove any potential negative impacts
 - opportunity to promote equality for the equality groups
 - data / feedback
- prioritise if and when a full EIA should be completed
- justify reasons for why a full EIA is not going to be completed

Directorate:

Executive

Service, function:

Resources Portfolio Support Services

Title of policy, service, function, project or strategy (new or old) :

Senior Management Structure - Support Services

Type of policy, service, function, project or strategy:

- ☐ Existing
- ☒ New / proposed
- ☐ Changed

Q1 - What is the aim of your policy, service, function, project or strategy?

The Council's Support Services functions are essential for the Council to run its front line functions, control its finance, support and develop its staff and manage its corporate governance responsibilities such as budget, public and democratic accountability and scrutiny. It is the Administration's intention to secure £100,000 p.a net savings from the senior management of the Council's support services.

Q2 - Who is this policy, service, function, project or strategy going to benefit or have a detrimental effect on and how?

If agreed by Employment Committee, the review of the senior management structure in support services could result in one or two voluntary redundancies (VRs) and should these not be accepted the need for compulsory redundancies to make the necessary savings. If the VRs are accepted it is also possible that a further compulsory redundancy may arise. It has been recognised that the council does need to increase capacity at a senior level in both Finance and IT and this will be addressed regardless of the senior management structure the committee decides to implement and is already provided for within existing budgets. Capacity issues have also been raised through the consultation with regard to HR, and these will similarly be appraised once members preferences on the Director structure are known. gs.

Q3 - Thinking about each group below, does, or could the policy, service, function, project or strategy have a negative impact on members of the equality groups below?

Group	Negative	Positive / no impact	Unclear
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other excluded groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Note:Other excluded groups examples includes,Homeless, rough sleeper and unpaid carers. Many forms of exclusion are linked to financial disadvantage. How will this change affect people on low incomes, in financial crisis or living in areas of greater deprivation?

If the answer is "negative" or "unclear" consider doing a full EIA

If there are any potential negative impacts on any of the protected characteristics, What have you put in place to mitigate or remove the negative impacts/barriers?

The review of the support services senior management structure could have an impact on the gender and/ or age profile of the senior management structure depending on the outcome of voluntary redundancy applications and/or the selection process for the new Director roles. The decision making on any VRs and selection process will be fair, justifiable and non-discriminatory.

Q4 - Does, or could the policy, service, function, project or strategy help to promote equality for members of the equality groups? e.g. A new service has been created for people with a disability to help them gain employment this would mean that this helps promote equality for the protected characteristic of disability only.

Group	Yes	No	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy or maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other excluded groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If the answer is "no" or "unclear" consider doing a full EIA

Q5 - Do you have any feedback data from the equality groups that influences, affects or shapes this policy, service, function, project or strategy?

Please add in the text boxes below what feedback / meetings you have attended for each specific protected characteristic

Group	Positive or negative feedback
Age	N/A
Disability	N/A
Race	N/A
Sex	N/A
Gender reassignment	N/A
Sexual orientation	N/A
Religion or belief	N/A
Pregnancy and maternity	N/A
Marriage & civil partnership	N/A
Other excluded groups	N/A

Q6 - Using the assessments in questions 3, 4 and 5 should a full assessment be carried out on this policy, service, function or strategy?

☐ yes ☒ No

PCC staff-If you have to complete a full EIA please contact the Equalities and diversity team if you require help Tel: 023 9283 4789 or email: equalities@portsmouthcc.gov.uk

CCG staff-If you have to complete a full EIA please email: sehccg.equalityanddiveristy@nhs.net if you require help

Q7 - How have you come to this decision? Summarise your findings and conclusion below

The outcome of any senior management re-structure may have an impact on the age or gender profile of senior management. The proposed process for selection/retention of staff is inclusive and selection criteria will be non-discriminatory.

Q8 - Who was involved in the EIA?

Helen Kane, Assistant Director HR

This EIA has been approved by: David Williams, Chief Executive

Contact number:

1241

Date:

1 February 2019

PCC staff-Please email a copy of your completed EIA to the Equality and diversity team. We will contact you with any comments or queries about your preliminary EIA.

Telephone: 023 9283 4789, Email: equalities@portsmouthcc.gov.uk

CCG staff-Please email a copy of your completed EIA to the Equality lead who will contact you with any comments or queries about your preliminary . Email: sehccg.equalityanddiversity@nhs.net

This page is intentionally left blank