

Agenda item:

Title of meeting: Employment Committee

Date of meeting: 14th June 2016

Subject: Changes to Senior Management Terms and Conditions to allow for shared management with Gosport Borough Council

Report From: Director of HR, Legal and Performance

Report by: Paddy May, Corporate Strategy Manager

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1. Gosport Borough Council on 8th June agreed to approach Portsmouth City Council with a view to sharing senior management posts. The City Council Cabinet on 9th June agreed to look positively at such a request and to seek to reach an agreement with Gosport about these shared leadership and management arrangements. This is the first phase of the joint arrangements and if this works well there will be opportunities for more joint arrangements and shared services between the two councils.
- 1.2. Cabinet agreed that a report should be taken to Employment Committee to allow for the terms and conditions of our senior management posts to be modified so that they can work for both councils. This report seeks to gain Employment Committee approval to these changes.

2. Recommendations

- 2.1. Employment Committee is recommended to agree that employees filling the posts identified through the emerging Section 113 Agreement between Gosport Borough Council and Portsmouth City Council should have their terms and conditions modified to allow them to work for both Gosport Borough Council and Portsmouth City Council.

3. Background

- 3.1. In the current financial context of extremely tight budgets for local authorities the need to find savings has become increasingly important. One way that a number of authorities have approached this is to look at developing shared services and sharing senior staff. Portsmouth City Council has already undertaken this approach in a number of ways with examples including the joint building control service with Fareham and Gosport Borough Councils, the recent appointment of a Director of Adult Services as a shared post with the Portsmouth Clinical

Commissioning Group and the shared S151 post with Isle of Wight Council. Portsmouth City Council is also working with Gosport Borough Council to provide support and advice to the Gosport housing services.

- 3.2. There are a number of examples nationally of authorities that have shared management teams or shared services, and whilst there are challenges with this approach they have led to significant cost savings. Locally Havant Borough Council and East Hampshire District Council have a shared management team to the 4th tier of management whilst still retaining clear identities as individual councils. The experience of other councils, nationally and locally, provides good opportunities to learn from.
- 3.3. A number of senior staff from Gosport Borough Council will be made redundant in the next few months and so Gosport Borough Council has approached Portsmouth City Council about whether we would be able to assist them with some shared senior management and leadership arrangements. Cabinet agreed that the City Council should look favourably at such a request and so we are currently developing a formal Section 113 agreement to facilitate this arrangement. Portsmouth City Council used a similar legal agreement with Portsmouth Clinical Commissioning Group around the shared Director of Adult Services post and the CCG Chief Operating Officer post and the agreement with Isle of Wight Council for sharing the S151 post.
- 3.4. It is worth stressing that this is not a takeover of either Council and instead provides an opportunity to make efficiency savings in both Councils. Both Councils would retain their sovereignty and would retain their individual identity. It is about shared management and leadership arrangements whilst ensuring that each council is providing the services that residents need.
- 3.5. As well as the opportunities afforded by sharing the senior management posts there are other opportunities from further developing a close working relationship between the two councils. Experience from other councils has shown a shared management arrangement can work very well for partner councils and opens up significant possibilities for delivering transformational change to service delivery and drives considerable further savings.

4. Service areas covered

- 4.1. Gosport Borough Council have approached us to see if we can reach an agreement to share the following senior management roles and the related statutory functions:
 - Chief Executive
 - Borough Solicitor
 - Borough Treasurer
- 4.2. In addition they also want us to provide leadership and management to cover other posts that are either vacant or are being made redundant. These posts cover the following service areas:
 - Housing services
 - Economic Prosperity, Tourism & Culture
 - Personnel

- Pay and administration (including purchasing)

4.3. It is likely that if this range of arrangements is successful then further opportunities, for both councils, would be agreed.

5. Facilitating these arrangements

5.1. The detailed negotiations to facilitate this arrangement are currently underway. We are preparing a Section 113 agreement to provide a formal legal framework for these arrangements. The agreement will specify, amongst other things, how the arrangements will work in practice (including funding), the termination arrangements and the accountability and review arrangements. This agreement will need to be agreed by both authorities. Cabinet delegated authority to the Director of HR, Legal and Procurement in consultation with the Leader of the Council to approve this agreement.

5.2. There will be a necessity to vary the terms and conditions of our staff to enable us to take advantage of this opportunity. All city council staff currently have a contract of employment with PCC and our statement of particulars for JNC staff currently states the following in relation to the employer and the location:

You are employed by Portsmouth City Council through its Employment Committee.

Your terms and conditions of employment are in accordance with the JNC Conditions of Service for Chief Officers of Local Authorities, supplemented by local collective agreements reached with trade unions recognised by the Council and by the rules of the Council. Any variations that are negotiated in your terms and conditions of employment will be notified to you separately within one month of the change.

Location

The address of the city council is given above. Your initial place of work is the Civic Offices but you may be relocated to any Portsmouth City Council establishment at the discretion of the city council after due notice as the needs of the service require.

5.3. We will need to vary these terms and conditions so that the relevant staff are allowed to work for Gosport Borough Council and to be located at Gosport's offices. In the first instance this will be for staff referenced in the emerging S113 agreement and can be achieved through the issuing of a letter of variation.

6. Reasons for recommendations

6.1. To enable us to take advantage of the opportunities afforded by the joint working with Gosport Borough Council we need to vary the terms and conditions of our relevant staff to allow them to work for, and at, Gosport Borough Council.

7. Equality impact assessment (EIA)

7.1 There will be a need to undertake an initial EIA should Gosport approach us to share services beyond this initial proposal.

8. Legal comments

8.1. The detailed legal arrangements will be picked up through the Section 113 agreement that will be developed.

9. Director of Finance and Information Services comments

- 9.1. The financial implications of this opportunity will become apparent as the detailed negotiations develop. It is however, expected that partnership working with Gosport Borough Council provides opportunities for efficiency gains by both councils and the changes to the terms and conditions are necessary to facilitate this.

.....
Signed by: Jon Bell, Director of HR, Legal and Performance

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