

<b>Title of meeting:</b>	Employment Committee
<b>Date of Meeting:</b>	19 <sup>th</sup> February 2015
<b>Subject:</b>	Senior Management Structure
<b>Report by:</b>	Chief Executive
<b>Wards affected:</b>	N/A
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

## **1 Purpose of report**

- 1.1 To advise Members of the outcome of consultation on the proposed changes to the senior management structure of the Council.
- 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 council policy for voluntary redundancy.

## **2 Recommendations**

It is recommended that:

- 2.1 Members consider the responses to the consultation on the proposed senior management structure and the subsequent recommendations in light of those responses and decide what changes they wish to implement in accordance with the selection method set out in the report.
- 2.2 Members note the financial implications of the proposals as set out in section 12 and in the exempt financial Appendix C, the costs of which will be funded from the MTRS Reserve.
- 2.3 Members give consideration to the voluntary redundancy requests received in accordance with the Council's policy during consultation. The financial implications of each request are outlined in the exempt financial Appendix C.

### **3 Background**

- 3.1 Following reports to Employment Committee in September and November, the council's senior management structure was further considered at Employment Committee on 16<sup>th</sup> December 2014. The committee agreed to commence formal consultation on a new structure for the senior management of the organisation. This was subsequently amended on the 17<sup>th</sup> December 2014 prior to formal consultation commencing. Compared to the version tabled at the meeting, this deleted the proposed role of Director of Housing and Neighbourhoods, as Members considered that the activities encompassed within that role were a duplication of roles and functions within other proposed directorates.
- 3.2 The proposal consulted on, set out in Appendix A, reduces the number of senior managers from 20 to 15 and met the Committee's desire to:
- Create a flatter structure at senior management level
  - Reduce the cost of the senior management structure
  - Remove the current distinction between directors and heads of service
  - Create new director roles responsible for operational activity, managing budgets as well as strategy
  - Recognise the Council's statutory requirements to have 'directors' for a number of key areas
  - Maintain commitment to the 'people, place and performance' model as the basis for the council's officer structure
  - Recognise the importance of the council's role in supporting people and meeting the challenges we face around increasing demands on our services created by the health and social care needs of our residents.

### **4 Consultation and procedure**

- 4.1 The proposal developed by the Employment Committee in December 2014 had direct implications for a number of staff whose posts are 'at risk' as a consequence. In accordance with the Council's workforce change policy, the unions and Senior Management affected were advised of the proposal being considered by the Employment Committee at the earliest opportunity.
- 4.2 As a result of the proposed re-structure senior managers (Heads of Service & Strategic Directors) will be required to take on a significantly different role to their current role for the majority of the new director posts.

- 4.3 The length of the consultation period is legally determined by the potential number of staff at risk of leaving the council as a whole; therefore a 45 day consultation period was undertaken with all senior managers directly affected by the proposal.
- 4.4 All staff have been invited to consider and comment upon the existing proposals as it is recognized that the senior management review will have a wide impact and as such be of significance to other colleagues across the Authority.
- 4.5 It is recognised that there is a potentiality that other post holders across the Authority may be affected after the implementation of the current senior management review. A separate statutory consultation process will apply to those posts that may be identified at any subsequent time as potentially being at risk of redundancy. It is not appropriate at this point to consult with staff not currently affected by the senior management review regarding any potential and future implications that may arise as a result of the structural changes currently being envisaged.
- 4.6 Following the conclusion of the senior management review and appointment to the new senior management structure an analysis will take place to assess the impact across the Authority and, where identified as being necessary, appropriate colleagues will be consulted with regarding any changes to be implemented.

## **5 Methods of Consultation**

- 5.1 The consultation arrangements were communicated to all staff through the following channels:
- An email was sent out to Third Tier Managers and Corporate Management Board on 23<sup>rd</sup> December 2014 to provide them with background information regarding the proposal and asking them to take the time to discuss the proposal at their next team meeting.
  - An all staff email was sent on 23<sup>rd</sup> December 2014 with an outline of the proposals and information regarding how to take part in the consultation.
  - The consultation arrangements formed part of the January 'team brief'. This monthly update is sent to all managers for discussion at team meetings to ensure all information on the proposal is available for individuals without easy access to a personal computer.
  - An email address ([consultstaff@portsmouthcc.gov.uk](mailto:consultstaff@portsmouthcc.gov.uk)) was set up to receive any representations on the proposal.
  - Emails were sent on 12<sup>th</sup> and 16<sup>th</sup> January 2015 to our key partnership organisations with an outline of the proposal.

## 6 Representations received during consultation phase

- 6.1 154 responses were received during the consultation period of which 14 were duplicated submissions, therefore resulting in a total of 142 unique representations. It is clear that considerable thought has gone into the responses. They contain a mixture of support and concern for various aspects of the proposals, as well as suggestions for amendment. The respondees comprise a wide range of staff, many of whom have a direct personal and professional interest in the outcome. They also include a number of partners and statutory bodies, such as the Youth Justice Board for England and Wales and the Portsmouth Safeguarding Children Board, that hold particular roles related to critical risk areas. It is important that members give full consideration to all of these representations.
- 6.2 All of the responses have been made available in full to the Committee, those from staff in an anonymised manner. A summary of each representation is provided on the A3 sheets at Appendix B. By its very nature, this is a précis of the material received and is designed to express the scope and weight of the representations.
- 6.3 Whilst members are recommended to look at the full submissions for themselves, the key issues to emerge have been summarised as follows:

### **Overall Structure**

- *A number of respondents recognise that a reduction at senior management level is necessary and welcome the delayering process.*
- *Appreciation for the personal and leadership value of strategic directors championing cross-cutting roles such as the physical, educational and social regeneration of the Great Waterfront City and concern at loss of highest level skills and experience.*
- *Concern that the City may well lose key personnel at a critical time and that lack of a Senior Strategic Team could weaken our negotiating position with other strategic bodies and agencies.*
- *There is support for amalgamation of services, but confusion over why services have been clustered/ disbanded in the way proposed, for example placing children's centres under regulatory services rather than under the Director of Children's Social Care or Director of Public Health and why Transport has been placed with Housing.*
- *Change of this scale at top level will result in lower level change - should be considered in tandem. Once the new senior structure is in place a 'phase 2' will be needed to align posts and service delivery. Concern about the effect this will have on service delivery and the overall expected savings.*
- *Concern that a number of services have been missed from the proposed structure.*

- *A considerable number of respondents have raised concern that the 'flatter' proposed structure will increase rather than reduce silo-working and lead to fragmented and contradictory advice being given - end up being neither cohesive nor consistent.*
- *Artificially promotes Head of Service roles to director level.*
- *Proposed structure will lead to experienced senior managers spending too much time on operational management, thus failing to have time to scan the horizon and provide strategic leadership. This will negatively impact on the ability of PCC to influence at a strategic level with external partners.*
- *Splitting the management of directors between a Chief Executive and a Deputy Chief Executive risks creating further division at the head of the organisation.*
- *It is suggested that maintaining 3 directors in support service areas should help minimise cost pressures at 3<sup>rd</sup> tier and enable support services to give the organisation capacity to function effectively and also transform.*
- *Concern is raised about the job design of new posts. It is felt that services have not been equally distributed among director posts leading to an uneven structure, for example the inequality between the responsibilities of the Director of ICU or Economic Development compared to the Director of Property.*
- *Business improvement should be part of our organisational culture and expected from all directors, not the responsibility of one director.*
- *Regional organisations, such as the LEP and PUSH should not sit within one service, instead relationships across all clusters and levels should be encouraged.*
- *Proposal that a separate Transport, Environment and Infrastructure Directorate is created, to oversee the highways, environment, waste, flood defence and major physical regeneration projects delivery.*
- *Queries as to how the proposed structure fits with Multi-Agency Teams and the Better Care Fund which will be pushing integration across public agencies and management integration.*
- *Management and portfolio structures should be aligned so that portfolio holders will be dealing with fewer directors.*

### **Deputy Chief Executive**

- *Query as to why the responsibility of Monitoring Officer sits with this post. Suggestion that leadership skills and strategic capability are more of a priority for this role and if necessary the role of Monitoring Officer can be placed with another director or suitable officer.*
- *Business transformation is council-wide and therefore should sit with Deputy Chief Executive rather than an operational director who needs to be accountable for the provision of services.*

- *The Deputy Chief Executive or the S151 officer could be given overarching responsibility for business improvement. This post would then be able to create business improvement teams that could work across the organisation, bring in expertise and skills from all parts of the organisation.*

### **Director of Property**

- *Concern over disparity between the responsibility, budget and span of control of this post compared to others posts such as the proposed Director of Economic Development and Relationships.*
- *Such a large directorate with wide ranging services and requiring wide ranging skills should be a Strategic Director level post.*
- *All budgets associated with property should be transferred to this director for management by property staff e.g. Guildhall, Parkwood, Pyramids, Spinnaker and Schools.*
- *The Director of Property post's budgetary responsibility are considerable - over £1bn of corporate assets, £500m council houses, waste collection and disposal contracts amounting to £8.8m pa, the £688m PFI contract and the proposed business improvement project. This vast size and span is imbalanced and could risk effective management of contracts, resources and delivery of projects.*
- *Concern that recruiting internally or externally to the role will be problematic. Finding someone with the breadth of knowledge and experience across the required spectrum does not seem possible.*
- *Strong opposition to merging Housing and Transport Services and querying the synergies between property and transport, waste management and environment.*
- *Particular concern has been raised over the loss of knowledge and leadership if the transport function is disbanded into different services. PCC will be the only Unitary Authority within the South East region not holding a post focussed on Transport & Environment within its senior management structure - unease as to whether this will reduce our external influence and ability to secure funding in the future.*
- *Functions carried out by one post in the current structure are proposed to be split across two different directorates in the proposed structure; this will lead to duplication of work and loss of skill synergies.*
- *The post title 'Director of Property' does not reflect the transport services functions which could be confusing to residents.*
- *Support for bringing together all aspects of property in a single Property Directorate.*

### **Director of Economic Development and Relationships**

- *Support for the creation of this role in the new structure. It confirms the importance and relevance of Partnerships, in delivering services and the ambitions of the city and its population.*
- *This post should be deleted and economic development goes into City Development and Culture directorate.*
- *'Relationships' should be part of all senior managers roles and not a separate post.*
- *Private housing is aligned with the rest of the housing service.*
- *Support for keeping private housing separate from the local authority housing service*
- *This role could be enhanced into the role of Director of Economic Development, Business Support & Relationships to build strong progression routes for new and growing businesses involving premises, guidance on regulation, employment support and training, funding opportunities and traders associations and forums.*
- *PCC would benefit if transport and economic development came together under one director.*
- *Concern that flood defences do not fit within this service. The team currently has close working relationships with PCC and PFI drainage teams and do not have synergies with economic development.*

### **Director of ICU**

- *ICU is a small unit and should be combined with another service(s) e.g. ASC, CSC, Education and Public Health.*

### **Director of Finance and Revenue**

- *The EBS function should move out of this service to enable the service to concentrate on business improvement and performance.*
- *Revenues and Benefits isn't really a financial activity, instead the majority of the work is customer services and Revs and Bens would be better placed in a service focused on customer services.*
- *ICT and Finance should be located together to provide a more strategic approach to key information agendas such as business intelligence and knowledge management.*

### **Director of HR, Legal and Communications**

- *Support for this post to continue helping shape and support the workforce and organisational transformation.*

- *Support for the service to retain professional identity rather than subsumed within a larger combination of support service functions.*
- *Suggestions that combining support services into one service, i.e. HR, Legal, Performance and IS could reduce senior management posts further. It could also allow for outsourcing opportunities or amalgamation with another public body, such as Solent Health or University of Portsmouth.*
- *Democratic Services should be located within this service to reinforce synergies with Legal and Strategy.*
- *Registrar's and Coroner service would be better placed within this service.*
- *Opposition to communications being placed within this directorate because this is a service which would be better placed with web and channel shift as internal and external communications will be crucial to the success of this programme.*
- *Environmental Change, Carbon Reduction and Sustainability should be corporate issues and should be moved into this directorate.*
- *Support for Internal Audit remaining within this service as it ensures that there is no conflict of interest between the s151 Officer and his operational duties as Head of Finance and maintains the principle that audit helps to improve performance.*

#### **Director of Information Services and Community**

- *For the planned savings to be achieved through the council's channel shift agenda communications, web and help desk need to work closely together with shared objectives and this can only be achieved most effectively if all elements are operating within one service.*
- *Customer facing services, such as communications, graphics, Help Desk, FOI and Community Engagement should be amalgamated under one director. These services have the most interaction with the public and already do a considerable amount of joint working, particularly under the customer service transformation programme.*
- *EBS team should move into this directorate, enabling one service to manage and deliver all IS systems for the organisation.*
- *City Helpdesk be given a mandate to assume responsibility for customer service functions from other areas to reduce waste/duplication and achieve economies of scale.*
- *Community Engagement role has no real connection to the IS/IT role - it would fit better within City Development and Culture.*

#### **Director of Culture and City Development**

- *Transport services would be better placed under City Development and Culture, aligning with planning, tourism and open spaces.*



- *'Relationships' should sit within this service to improve business growth, increase start-ups and improve business survival rates.*
- *Support for Planning and Economic Development roles to be combined to recognise the close synergies in terms of fostering economic growth, development and the creation of new businesses.*
- *Support for the proposed move of environmental change, sustainability, carbon management and energy into this service.*

### **Director of Children's Services and Education**

- *The contraction of senior management and leadership is not aligned to the organisation's professed priorities. Combining the two services does not give Education enough prominence nor experienced senior level officers focused on school improvement.*
- *Director of Children's Social Care and Director of Children's Services should be merged and a separate Education post created.*
- *The proposed structure does not give sufficient capacity to drive forward the necessary improvements for education within the city. This poses a major reputational risk to the authority, particularly as Portsmouth education results do not compare well nationally.*
- *Concern that it will be difficult to recruit to the DCS and Commissioning Manager for School Improvement posts, given the demands on these roles, without a Head of Education. There is not the capacity within the Commissioning Managers in Education to take on additional responsibilities.*

### **Director of Children's Social Care**

- *Director of Children's Social Care appears to be a 3<sup>rd</sup> tier manager reporting to another Director (which appears inconsistent with the desire to flatten the structure). This could make the head of children's social care seem less significant than posts that report to the Chief Executive. This could in turn make it more difficult to recruit to this post, in what is a notoriously challenging market.*
- *Children's centres should be better aligned to children's care and safeguarding and placed within this service.*
- *YOT would better sit within this service where the emphasis is on care, education and safeguarding/welfare needs. An HMIP Inspection is due from March 2015 onwards and continuity and stability are absolutely crucial in order for YOT to consolidate and develop practice since the last inspection. Staff links and working relationships remain pivotal and to disturb the equilibrium at this particular juncture could prove detrimental.*
- *49% of entrants into the YOT are known to Children's Social Care, and Children's Centres form part of the "Early Help" offer in the city. It is important to keep services working predominantly with children and young people*

*together. If we don't, it will be detrimental to the effectiveness of the service and its ability to provide effective safeguarding to some of the most vulnerable young people of the city.*

- *The recent OFSTED inspection raised concern related to Early Help. A model that affords a senior manager responsible for Early Intervention (JAT, MATS and TF role) with a dotted line to Director Public Health would fit better within this service.*

### **Director of Adults Services**

- *Support for DASS and DCS responsibilities split between two director posts.*
- *Substance misuse should sit within the ASC directorate. The actual service provision for substance misuse (assessment, treatment and rehabilitation) sits under Adult Social Care.*
- *Concern that teams such as Physical Disabilities, Adult Mental Health, Sensory Impairment have not been mentioned under the proposed structure.*

### **Director of Public Health**

- *The statutory requirement of a Director of Public Health post could be met through shared arrangements with another authority, CCG or through a social enterprise.*
- *Support for PCC to continue to build an integrated Health, Community Safety and Licensing Service as this makes more effective use of combined Local Authority and NHS expertise resulting in better outcomes for residents.*
- *There would be benefit in the two health and care focused commissioning functions (Public Health and ICU) being structurally aligned.*
- *PCC should move away from top heavy NHS management approach/medical model with over reliance on highly paid Consultants.*
- *Children's Centres should be moved into Public Health to support early intervention and align with the 0-5 years Children agenda with the transfer of Health Visitors to Public Health by October 2015.*
- *Substance Misuse should be moved to Public Health to align with funding streams and commissioning support.*
- *Environmental services support public health outcomes, therefore Environmental Health should be within this service to encourage joined up working.*
- *Civil Contingencies unit should be within this service.*

## **Director of Regulatory Services and Community Safety**

- *Licensing is a regulatory function and should be within this service; it could then form better links with Trading Standards, Environmental Health and Substance Misuse.*
- *Strong opposition to children's centres being placed within this directorate as it will fragment the workforce away from a service with statutory children's focus and as a result impact on the safeguarding of children and successful partnership working. Supporting families economic well-being, raising aspirations and focusing on opportunities to return to employment or training is at the heart of community capacity. Building a coordinated, strategic approach to parenting support, childcare, adult learning, Job Centre Plus and advice and guidance is essential. As such, it is recommended that this remains in alongside children's centres.*

## **Responses from Partners**

- *Recognition that support from PCC has always been noticeably better than some other partners - hope this does not change under the new structure as people will have to manage with less overall resource.*
- *Concern regarding the directors' capacity to effectively manage the roles in the proposed structure, particularly dilution of the authority's objectives.*
- *Concern about the impact of posts below senior management level, how the new teams would operate, and whether the proposed structure and roles within it will impact on service delivery.*
- *Concern that external partners and agencies will have more directors to liaise with on integrated health and social care agenda to enable Better Care Fund aspirations to be achieved.*
- *Strategic planning could be compromised as there will be multiple directors with no single decision maker and no ultimate strategic accountability for issues that cross-cut.*
- *Silo working will be reinforced. Support a Director of People with Heads of Service structure and would encourage the portfolios to be integrated to accelerate integration of health and social care.*
- *Spreading responsibility across a number of directors e.g. adults and children's social care, education and housing creates significant additional risk of a loss of cohesion and integration with increased probability of the development of silo working, silo thinking and a loss of grip. The creation of a Deputy Chief Executive post also adds additional distance with housing, a key player in child and family support.*
- *Portsmouth Safeguarding Children Board want reassurance that the risks to child safeguarding have been properly considered and evaluated and that an appropriate mitigation framework is established if the proposed structure is agreed.*

- *Portsmouth's Clinical Commissioning Group concerned that the proposed structure may restrict ability to achieve integration at the pace and consistency required.*
- *If PCC proceeds with this structure, CCG will want to review whether the current hosting arrangement of ICU by PCC is the best option for the CCG. The proposed structure removes a level of seniority and strategic expertise that CCG believe will be critical to the City Council and the City over the coming years in the context of severely restricted resources and requirements to transform services at a large scale.*
- *CCG concerned that removal of strategic director tier will place unrealistic capacity expectations either on the CEO or the Directors. The proposed roles appear to be at risk of having to manage strategic decisions with partners whilst also giving attention to operational delivery of services; both require different skill sets and expertise as well as significant capacity. CCG experience is that operational issues will always dominate at the expense of service transformation.*
- *PYOT and YJB concerned that to realign the PYOT away from children's social care services and locate with community safety, carries considerable risk given that many young offenders are also victims and have safeguarding needs. Nationally most YOTs are located with children services.*
- *Spreading responsibility across a number of directors in key support areas for youth offending (adult social care, public health, children's social care, education and housing) creates significant additional risk of a loss of the cohesion and integration necessary for the delivery of effective services.*
- *Concern that a flatter structure will mean individual service areas lack resilience to maintain service delivery at times of critical incidents, periods of high demand and absences of key staff.*

## **7 Applications for Voluntary Redundancy**

- 7.1 During the process of consultation, two requests for voluntary redundancy have come forward in line with the Council's policy.
- 7.2 Voluntary redundancy is considered an appropriate measure to mitigate compulsory redundancies. These requests need to be considered and determined by the Committee. Given the nature of the proposals and the structure favoured by Members it is recommended that the requests are accepted. The financial implications of each request are set out in the exempt financial Appendix C.

## 8 Suggested response in the light of the representations

8.1 In response to the representations received, considerable effort has gone in to reassessing the proposed changes. In undertaking this task, I recognise that Members have rejected my proposals. My advice therefore, is given on the basis of making the approach favoured by Members work as effectively as possible in the light of the representations received. I have done this in consultation with experienced staff in HR. On this basis, I suggest the Committee considers the following responses by way of amendment.

### 8.2 **People**

The proposed reduction in capacity in this area remains a great concern, as reflected in the representations, particularly from the Portsmouth CCG, the Safeguarding Children's Board, the YOT and head teachers. Education, social care and health are key areas for the council and residents in terms of critical risks for individuals and groups, pressures on budgets, the need to continue to improve service delivery and the importance of pursuing an agenda of integration both within the council and with partners such as the CCG. They are also areas where there is acute national concern about transformation and performance and very active inspection and assessment regimes. In the light of the consultation responses, particularly those from statutory partners, Members are advised to:

- Reconsider the proposed reduction in senior management and leadership capacity in children's services - whilst it is appreciated that members consider that the council's role in education has been significantly reduced by central government, PCC still carries huge responsibilities for and influence on education, and it is a stated priority of the council because of the scope for improvement and its capacity to transform the city. A mitigation framework should be developed to address risk to child safeguarding, in conjunction with and as recommended by the PSCB.
- Keep YOT with children's services, as advised by the PYOB and the YJB(E&W).
- The emerging 'Delivering Differently' social enterprise also needs to be taken into account in designing the new structure, particularly in relation to the proposed Director of Regulatory Services and Community Safety. If Delivering Differently develops as is hoped, much but not this entire directorate will be transferred to the new entity. It is recommended that at this stage the following services are moved from Regulatory and Community Safety to Public Health:
  - Children's centres
  - Environmental Health
  - Substance misuse

- Consideration also needs to be given to the place of the second phase development of the Troubled Families work (Positive Family Steps) in the structure. As set out in the December report, this will be an Early Intervention Team and will be funded by central government at a level equivalent to the director posts proposed in the structure consulted on. This offers the opportunity for locality based intervention and integration of services across the council and with partner agencies such as health, police, and probation, linking with the Better Care Fund and Multi Agency Teams. It is considered that this would form a better basis from which to drive intervention than from within the Property directorate.

### 8.3 **Place**

There are three main areas for reflection in the light of the representations received:

- Firstly is the span of the Property Director post. This is considered too great, whilst also failing to bring all the facets of housing together, nor reflecting closer engagement between housing and social care - suggesting instead a closer association with the 'bricks and mortar' view of housing.
- Secondly, the juxtaposition of housing with parts of engineering and infrastructure functions appears contrived, and contributes to a separation of skills and capacities associated with improving the physical infrastructure of the city. As Members are aware, my preference would be stand alone city infrastructure directorate, but if not, Members should consider the alignment of these functions within City Development and Culture.
- Thirdly the scale and scope of the Economic Development and Relationships role is narrow compared to the other director roles and Members should consider combing it with other directorates particularly City Development and Culture (avoiding splintering engineering skills and capacity) - if the total number of director posts is a key driver, this would 'free up' a post that could be used to support children's services.

### 8.4 **Performance**

As the responses to the consultation illustrate, there are a number of different permutations that could be implemented for the senior management structure across the support services. If Members determine to proceed with three director posts, together with a Deputy Chief Executive, it is suggested that consideration is given to the following alternative combinations:

- Finance with IS/IT

- Community engagement, Communications, Customer Help Desk and Revenues and Benefits, Web and channel shift
- HR, Legal, Democratic (incl. Elections, FOI & Data Protection), Registrars and Coroner.

## **9 Next Steps**

- 9.1 Members need to decide which structure best meets the needs and circumstances of the council. Dependent upon the decision of the Employment Committee regarding the Senior Management structure a number of Strategic Directors and Heads of Service posts will be redundant placing existing post holders at risk of redundancy.
- 9.2 In response to the consultation and after further thought regarding the needs of the organisation and the shape of things to come, the key recommendations for the Committee are set out in section 8 above.

## **10 Appointment to New Structure**

- 10.1 Once Members have fully considered the responses to consultation and decided upon the structure they wish to implement, the selection phase set out at the Employment Committee on 16<sup>th</sup> December 2014 will be implemented.
- 10.2 Selection will include undertaking job matching and ring fence selection; this complies with Council's policy by adopting the following principles:
- Job Matching - Where Senior Management posts are substantially performing the role proposed in the new structure
  - Ring Fencing - Applications be restricted to Senior Management posts that are at risk of redundancy and performing a part of the role.
- 10.3 The proposed new posts will be compared to existing posts to determine if there are any job matches using the following broad criteria:
- Focusing on
- An objective comparison of the new role compared with the existing role.
  - The overall job purpose
  - Key responsibilities including statutory responsibilities
- This will not include an assessment of an individual's ability or performance in their existing post.
- 10.4 Where there is a job match the appointment will be offered to the existing post holder on the basis of suitable alternative employment

Where posts are significantly changed or the post no longer exists and has been removed from the structure internal ring fencing will apply. Post holders who haven't been job matched and therefore remain 'at risk' will be invited to apply for new posts.

10.5 If at any stage of the process an additional post becomes available within this review e.g. through Voluntary Redundancy requests or receipt of a resignation following alternative employment. Consideration will be given to allow for the potential job matching of any outstanding employees at risk of redundancy.

10.6 The timeline for job matching and selection is set out at appendix F

10.7 In the event of an individual being unsuccessful at their interview, the post holders will receive redundancy pay in accordance with normal Portsmouth City Council payments. If a post holder is appointed to a post at a lower banding to which they currently hold then they will be eligible for salary protection in accordance with existing policy. Existing practice restricts this to a maximum of one band difference. Protection is applied for a two year period effective from the date of appointment into new post.

## **11 Equalities Impact Assessment (EIA)**

11.1 A preliminary Equalities Impact Assessment has been undertaken.

## **12 Head of Financial Services comments**

### **12.1 Financial Implications**

The level of General Fund savings arising from the report on the Senior Management Structure considered by Employment Committee on 16<sup>th</sup> December 2014 were estimated to be £312,000. This amount was predicated on the following assumptions:

- a reduction in 4 posts effective from 1<sup>st</sup> April 2015
- An element for the re-grading of staff at lower levels as a result of the reduction in senior staff

The saving of £312,000 has been included in the budget for 2015/16 and ongoing forecasts.

Following the meeting of the Employment Committee on 16<sup>th</sup> December the reduction in senior posts was subsequently increased to 5.

The full year financial impact of the current proposals on the General Fund, assuming some consequent re-grading, is a saving of £454,000 (or £504,000 with no re-grading's at lower tiers).



12.2 However, the earliest that the new senior management structure could be implemented is now not expected to be before 1<sup>st</sup> July 2015 and only a partial year saving from the review will therefore arise in 2015/16.

On the assumption that the re-structure is effective from 1<sup>st</sup> July 2015 and assuming that some re-gradings at lower levels would arise, the part year saving that will accrue in 2015/16 would be £ 341,000 (or £378,000 on the assumption that no re-gradings arise at lower levels).

Any saving in excess of the £312,000 already assumed in the 2015/16 budget will accrue to General Fund balances in 2015/16 with any excess in later years being offset against future year savings targets.

### **13 Legal Implications**

13.1 The implications outlined in the report are such that a redundancy process (a potentially statutory fair reason for dismissal) will need to be considered as against a background of structural change. The key factors to avoid claims of unfair dismissal either based upon a redundancy situation not existing or flaws in the process of selection are set out below.

13.2 The burden is upon the Council to establish that the jobs no longer exist.

13.3 The process of consultation and procedure having been established will need to be adhered to and completed before anyone is dismissed, save that applications for voluntary redundancy can be received and agreed at this stage.

13.4 Whilst the Council might be able to show that the jobs are redundant, the dismissals might be unfair if the consultation, selection and criteria used are flawed.

13.5 The current process which is being followed must continue to adhere to the Council's existing policies.

13.6 The key to avoiding claims is to map accurately the structure re-profiling, engage early, consult throughout and be able to objectively justify selection, as a Tribunal will be concerned about decisions being fair and reasonable in all the circumstances having due regard to the size and nature of the undertaking.

13.7 In relation to the Council as we are a large public sector employer it would be the anticipation of any Employment Tribunal that decisions made to make a person redundant would be consistent with our policies and procedures and in all other ways legally compliant.

13.8 Taking into account the above considerations, Members are strongly advised to adopt the principles set out above. It is imperative that the Council acts in an open fair and transparent way which is consistent with its usual practices and procedures. Failure to do so would open up the real possibility of claims against the Council which taking into account factors such as age, loss of pension rights, the salaries of the post holders and loss of employment rights, would be substantial.

.....  
 Signed by:

**CONFIDENTIAL Appendices B&C: Not for publication**  
**Local Government Act 1972, Schedule 12 A ( as amended)**  
**Paragraph 1,2,3 and 4**

**Appendices:**

- Appendix A - Proposed Senior Management Structure
- Appendix B - Exempt (Consultation feedback documentation)
- Appendix C - Exempt (Financial implications for Voluntary Redundancy Requests)
- Appendix D - Timeline

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