



Meeting of the Cabinet

Wednesday, 1st October, 2014 at 6.00pm

In Committee Room 2 at the Council House, Priory Road, Dudley

Agenda - Public Session

(Meeting open to the public and press)

1. Apologies for absence.
2. To report any changes in representation of opposition group members.
3. To receive any declarations of interest under the Members' Code of Conduct.
4. To confirm and sign the minutes of the meeting on 17th September, 2014 as a correct record.

Service Related Corporate Issues

5. Demographic Growth Funding – the creation of a new Special Educational Needs Post 16 facility.

Budget, Strategic, Policy and Performance Issues

6. Review of Senior Management and Operational Structure. (Key Decision)
7. To consider any questions from Members to the Chair where two clear days notice has been given to the Director of Corporate Resources (Council Procedure Rule 11.8).
8. To report on any issues arising from Scrutiny Committees.

A handwritten signature in blue ink, appearing to be "P. Z.", is written over a faint, larger signature.

Director of Corporate Resources

Dated: 9th September, 2014

Distribution:**Members of the Cabinet:**

Councillor D Sparks (Leader - Chair)

Councillor P Lowe (Deputy Leader)

Councillors K Ahmed, H Bills, D Branwood, T Crumpton, J Foster, R Harris, G Partridge and S Turner

Opposition Group Members nominated to attend meetings of the Cabinet:**Conservative Group:**

Councillors P Harley, R James, P Miller, G Simms, D Vickers and M Wood

UKIP Group:

Councillors P Brothwood and K Turner

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- The Democratic Services contact officer for this meeting is Richard Sanders, Telephone 01384 815236 or E-mail richard.sanders@dudley.gov.uk

Minutes of the meeting of the Cabinet

Wednesday, 17th September, 2014 at 6 p.m.
in Committee Room 2 at the Council House, Dudley

Present:

Councillor D. Sparks - Leader of the Council (in the Chair)
Councillor P. Lowe - Deputy Leader (Vice Chair)
Councillors K. Ahmed, H. Bills, D. Branwood, T. Crumpton, J. Foster,
R. Harris and S. Turner

Opposition Group Members nominated to attend meetings of the
Cabinet:-

Councillors R. James, I. Kettle, P. Miller, G. Simms, D. Vickers and M.
Wood (Conservative Group); Councillors P. Brothwood and K. Turner
(UKIP Group)

Officers:-

J. Polychronakis (Chief Executive), J. Millar (Director of the Urban
Environment), V. Little (Director of Public Health), A. Pope-Smith
(Director of Adult, Community and Housing Services), P. Sharratt
(Interim Director of Children's Services), P. Tart (Director of Corporate
Resources), I. Newman (Treasurer), R. Sanders (Assistant Principal
Officer, Democratic Services) and other officers.

16. **Apologies for absence**

Apologies for absence from the meeting were received from Councillors
Harley and Partridge.

17. **Changes in representation of Opposition Groups' Members**

Councillor Kettle was serving in place of Councillor Harley for this
meeting of the Cabinet only.

18. **Declarations of Interest**

No declarations of interest were received in respect of matters to be
considered at this meeting.

19. **Minutes**

RESOLVED

That the minutes of the meeting of the Cabinet held on 3rd July, 2014, be approved as a correct record and signed.

20. **Capital Programme Monitoring**

The Cabinet considered a joint report of the Chief Executive and Treasurer on progress with the implementation of the Capital Programme, including the 2013/14 outturn position, and which proposed amendments to the Programme.

RESOLVED

- (1) That the result of the Post Completion Review of relevant capital projects, as set out in Appendix C of the report submitted to the meeting be noted
- (2) That the Abberley Street site is withdrawn from the sites being disposed of as part of the Transforming our Workplace project and replaced by the Church Street Education Centre site in Pensnett, as set out in paragraph 7 of the report submitted to the meeting.
- (3) That the Council be recommended
 - That current progress with the 2014/15 Capital Programme, as set out in appendix A to the report submitted to the meeting, be noted and that budgets be amended to reflect the reported variances.
 - That the increase in budget for the Clayton Park Outdoor Gym be approved and the Capital Programme amended accordingly, as set out in paragraph 5 of the report submitted to the meeting
 - That the expenditure on the A459 pedestrian crossing improvements be approved and included in the Capital Programme, as set out in paragraph 6 of the report submitted to the meeting.

- That the expenditure on the replacement of franking machines be approved and included in the Capital Programme as set out in paragraph 8 of the report submitted to the meeting.
- That the Urgent Amendment to the Capital Programme, as set out in paragraph 9 of the report submitted to the meeting, be noted.

(This was a Key Decision with the Cabinet and the Council named as Decision Takers)

21. **Corporate Quarterly Performance Management Report**

The Cabinet considered the report of the Chief Executive under cover of which the first Corporate Quarterly Performance Management Report for 2014/15, relating to performance for the period 1st April, 2014 to 30th June, 2014, was submitted.

RESOLVED

- (1) That the Corporate Quarterly Performance Management Report be approved.
- (2) That the consideration of the report by the Corporate Performance Management, Efficiency and Effectiveness Scrutiny Committee be noted.

22. **Tenant Involvement Arrangements**

The Cabinet considered a report of the Director of Adult, Community and Housing Services seeking approval to revised tenant involvement arrangements. The draft Constitution of the proposed Dudley Housing Board was appended to the report.

In the discussion, the clause in the draft Constitution regarding an annual review of the effectiveness of the Board was noted and welcomed. A suggestion was also made that a tenant representative be co-opted to the Adult, Community and Housing Services Scrutiny Committee and it was noted that, should a request to this effect be received from the Dudley Housing Board, it would receive due consideration.

RESOLVED

That the Council be recommended:

- (1) To approve the disestablishment of the Area Housing Panels.

- (2) To offer support to our tenants in the development of a structure that will assist them in achieving their priorities as listed in paragraph 8 of the report submitted to the meeting.
 - (3) To approve a transfer of responsibility from the Area Housing Panels to the Tenants Board and to make recommendation(s) relating to expenditure of the Community Safety and Environment budget.
 - (4) That the Constitution and Terms of Reference of the Tenants Board be approved as set out in the appendix to the report.
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23. **The Local Government Ombudsman's Annual Review Letter 2014**

The Cabinet considered the report of the Director of Corporate Resources summarising the complaints against the Council received and dealt with by the Local Government Ombudsman's Office over the year ended 31st March, 2014. The Annual Review Letter from the Ombudsman was appended to the report.

RESOLVED

- (1) That the information contained in the report submitted to the meeting and the appendix to the report be noted and that the Chief Executive be and Directors be requested to:
 - (a) Review their internal arrangements;
 - (b) Continue to ensure that requests for information on complaints received are dealt with by the date requested This will ensure that responses can be submitted to the Ombudsman's office within the timescale set and the Council's excellent performance on response times can be maintained.
- (2) That all Directorates continue to impose rigorous monitoring of complaint activity to ensure ongoing good practice and a continued reduction in complaints being received.
- (3) That the Annual Review Letter be posted on the Council's website.

24. **Valerie Little**

This being the last meeting of the Cabinet attended by Valerie Little before her retirement from the Council's service, the Leader thanked Ms Little on behalf the Council for her service as Director of Public Health and paid tribute particularly to the help given by Ms Little in integrating the public health function into the Council.

The meeting ended at 6.25 p.m.

LEADER OF THE COUNCIL

Meeting of the Cabinet – 1st October 2014

Report of the Acting Director of Children's Services

Demographic Growth Funding – The creation of a new SEN Post 16 facility

Purpose of Report

1. To seek approval of the Cabinet to create a new Post 16 facility for young people with learning difficulties and disabilities through the refurbishment of an existing building on the former Pensnett School site.
2. To seek approval of the Cabinet to develop a master plan for the former Pensnett School site.
3. To seek approval of the Cabinet to commence a series of consultation events about the proposals.

Background

Creating a New SEN Post 16 Facility

4. There is currently a shortfall of places for young people with learning difficulties and disabilities so that they can continue their education and learning in Dudley. As a result of this shortfall, many young people have to travel out of borough to acquire a suitable place. This in turn puts more pressure on revenue budgets and does not allow the young people to continue their education and learning in their local communities; adding to isolation and transition challenges when they return to their local communities from their education placements.
5. This new facility would provide a cost effective local solution, reducing the number of young people who have to travel significant distances out of borough for high cost residential provision.
6. The current needs analysis shows a growing cohort of learners with learning difficulties and disabilities needs in both special and mainstream schools. The largest group currently within the Not within Education, Employment or Training (NEET) register is learners with learning difficulties and disabilities. This provision will help to target our focus on those young people with autistic spectrum disorder and behavioural needs.

7. In recognising this gap in current provision the former Director of Children's Services approved a bid that was submitted to the Education Funding Agency (EFA) for the demographic growth capital fund.
8. The project proposed at the time was to provide additional post 16 provision by developing Shouster's house which is a vacant building; (adjacent to Pens Meadow Special School) for post 16 provision for learners with learning difficulties and disabilities. This building was to be leased to Dudley MBC and this had been agreed in principle beforehand. The proposal also addressed an issue raised in a previous Ofsted inspection where it was identified that there was insufficient space available at the school for the number of students on roll. The bid which was successful was for the value of £592,000 to create 40 additional places. The capital grant was to be expended by March 2015. However, since the submission of the bid (summer 2013), Shouster's House is no longer an option for consideration.

Developing a Master Plan for the Former Pensnett School site

9. In light of this significant development, the LA has identified another suitable building in which a post 16 facility could be developed; namely the former neighbourhood building on the closed Pensnett School site. An initial desk-top option appraisal of the site has been conducted and it would be possible to provide the new facilities on this site. A copy of an indicative layout is attached as Appendix 1. A copy of the whole site plan is attached at Appendix 2.
10. The former Pensnett School closed in August 2010 with the last cohort of young people leaving in 2012. The site is quite extensive having a gross area of almost 48,000m² and consisting of a number of buildings that have been added to the Campus over the years. The main school building, science block, design technology block and neighbourhood centre are vacant and remain unused. The site is secured by utilising 24 hour security at an on-going cost to the Directorate of Children's Services. The sports hall which was built utilising Big Lottery capital funding is still in use by the local community.
11. The former Neighbourhood building and old gymnasium (which are physically linked) once refurbished would provide an ideal Post 16 facility that would be run and managed by Pens Meadow Special School. The sports hall could also be utilised once again by Pens Meadow School, continuing to be available for use by the local community. This area of the Pensnett site could become a thriving Post 16 facility delivering education and training for some of our most vulnerable young people.
12. A number of uses for the site have been explored, including the relocation of other education provision to the site. As the site is a former school site, in order to use the site for alternate purposes or to dispose of the site, the Council would have to seek permission from the Secretary of State for Education. Similarly, an

exercise has been undertaken with colleagues from other Council directorates to ascertain the viability of transferring the Sports Hall facility to another directorate but this was not deemed viable. There are no viable options available to the Council at present that would utilise the existing buildings.

13. The latest condition survey of all of the buildings on the site was carried out in 2009 indicating a condition backlog of almost £1.5million (about £1.7million at today's date), to include work to roofing, windows and doors, structural repairs, boilers and heating system and electrical works. The existing buildings are not generally accessible for people with physical disabilities especially as this is not a level site.
14. As part of this first phase of development of the site it is therefore proposed to demolish the former main school building that fronts Tiled House Lane and the linked science block. This will clear the way ready for any future site development as well as save the Council money on security costs and on-going periodic maintenance costs (to address broken windows, patch any leaks to the roof and grounds maintenance.) At some point in the future the Cabinet could consider the use of the remainder of the site.

Consultation Events for the proposed changes to the Pensnett site

15. A series of consultation events are being planned to inform the local community and other stakeholders of proposals for the site. Subject to approval from Cabinet these events will commence during mid October and will provide stakeholders with the opportunity to express their views and opinions on the proposals. The consultation events will include formal consultation by means of a document published containing details of the proposals; a series of meetings with key stakeholders, including community engagement events where members of the public will be invited along to view and discuss the proposals for an SEN post 16 provision.

Finance

Capital

16. The Directorate of Children's Services has secured a capital grant from the Education Funding Agency of £1,000,000 to be utilised for the work outlined in this report. This capital grant has to be spent by August 2015.

The Directorate of Children's Services had also committed £270,000 of the 14-19 / Special Education Needs Targeted Capital Funding grant towards this project.

Revenue

The revenue costs for running and managing the provision will be met by Pens Meadow Special School from their delegated budget share, operating on a split school site arrangement. All special school students are categorised as high needs and are therefore funded through the post-16 funding allocation from the Education Funding Agency, which is currently £10,000 per place. In addition, dependant upon each student's category of need, the School will also receive top up funding from the High Needs Block of the Dedicated Schools Grant. A provisional revenue budget plan has been prepared which will be fine tuned as the precise number of students and category of need is determined in 2015.

Law

17. The Council may establish and maintain schools under the Education and Children Acts and can do anything incidental thereto, conducive thereto, or which facilitates the discharge of this function under section 111 of the Local Government Act 1972.

Equality Impact

18. The new Post 16 unit for young people with learning difficulties and disabilities will provide a new fit for purpose facility so that they can continue their education and learning in Dudley. It will also ensure that families can remain together throughout the placement and eliminates the need to reintegrate into the local area at the end of a three year programme. Thus providing a local, more cost effective solution.

Recommendation

19. It is recommended that:
 - a. Cabinet approves the proposal to provide a new Post 16 facility for young people with learning difficulties and disabilities through the refurbishment of an existing building on the former Pensnett School site;
 - b. Cabinet approves the proposal to develop a master plan for the entire former Pensnett School site, including demolition of the main school building that fronts Tiled House Lane;
 - c. Cabinet approves the proposal to commence the series of Consultation events.



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Pauline Sharratt
Interim Director of Children's Services

Contact Officer:
Toni Guest, Head of Place Planning and School Reorganisation
Ext: 3725

NOTES



Rev	Date	Description	By
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Construction and Design
Ward House, Himley Park, Dudley, DY3 4DF
Directorate of Children's Services
Dudley Metropolitan Borough Council

Dudley
Metropolitan Borough Council

PROJECT
Pens Meadow Post 16 Facility

DRAWING
Ground and First Floor plan

Scale 1 : 100	Date 22/09/14	Drawn TM
Job Number H649	Drawing Number A100	Revision Plot Sheet size A1

Cabinet – 1st October, 2014

Report of the Chief Executive

Review of Senior Management and Organisational Structure

Purpose of Report

1. To consider the outcome of formal consultation on a proposed senior management and organisational restructure, and to make a recommendation to the Council.

Background

2. At its meeting on 2nd July 2014 the Cabinet considered my report on the review of the senior management and organisational structure and resolved to endorse the proposed new structure for formal consultation. The proposed structure is set out in Appendix 1.
3. By way of summary this is the most radical restructuring proposal for the Council since its creation in 1974. It would mean that we continue to be fit for purpose for the formidable challenges that we face but it will require a reduction in our management capacity of 20% and it will create savings in management costs of around £1 million. The implementation of the proposed restructure would produce the leanest management structure of any Metropolitan District Council. It would place Dudley “ahead of the curve” but, to ensure that we remain fit for purpose and manage expectations, it will be necessary to define and invest in further transformation in order to realise the potential of key staff if we are to meet the rigorous challenges that lie ahead.
4. The formal consultation ran from 30th June to 8th September 2014 and included a series of individual meetings with all existing Directors and Assistant Directors, together with consultations with trade unions, the external auditor and NHS partners. A summary of the consultations with Directors and Assistant Directors is attached at Appendix 2. I also received a number of written representations from other employees and these will be taken into account during the next stage of formal consultation on the development of the fourth tier structure in each of the new directorates during December 2014 and January 2015.

5. I have also received a written submission from the Conservative Group which is attached at Appendix 3.
6. As Members will see from Appendix 2 the key issues arising from the formal consultation relate to the proposed salary bands for the 8 new Chief Officers posts and the portfolios for the 2 Chief Officer posts in the Resources and Transformation Directorate and I will deal with each of these issues in turn.

Chief Officers Salary Bands

7. The advice received from West Midlands Employers was that, following a job evaluation, the salary band for the statutory Chief Officers (i.e. Adult Social Care, Children's Services, Public Health and Section 151 or Monitoring Officer) should be £95,000 - £99,000 with two incremental steps. The salary band for the other 4 Chief Officer posts (i.e. Corporate and Customer Services, Planning and Economic Development, Environmental Services and Housing) has been evaluated at £85,000 - £90,000 with two incremental steps. Both salary bands may need a market forces supplement and a proposed policy for this is discussed later in this report.
8. The representations received in relation to these salary bands are that there should be one band for all Chief Officers. Some consultees felt that this would treat each post equally and be less divisive. However, this would be inconsistent with the job evaluation which recognises the additional responsibilities for statutory officers.
9. It has also been argued that instead of a salary band, there should be a spot salary for Chief Officers. This would avoid an annual increase in salary through incremental progression. However it would remove some flexibility in setting a starting salary and increments may have to be subject to annual performance appraisal.
10. On balance I have concluded that there is more merit in having a basic spot salary for all of the Chief Officer posts and my recommendation is that this should be £89,000. However, there should be a supplement for the 4 statutory posts of up to £10,000 (to be agreed by the Appointments Committee) to reflect job size, budget and responsibilities. In each case a Chief Officer post would be subject to a market forces supplement where necessary.
11. Members are recommended to take a similar approach to the proposed salaries for the Strategic Directors. Following job evaluation the salary band for the Strategic Director for People is £122,500 - £130,000 and for the other two Strategic Directors it is £114,000 - £120,000. A spot salary for these posts could be £127,000 and £117,000 respectively but, again, subject to a market forces supplement where necessary.

Chief Officers in the Resources and Transformation Directorate

12. The current proposal is that there should be a Chief Officer for Corporate and Customer Services and a Chief Officer for Finance and Legal Services. The need for a Corporate and Customer Services Division reflects the fact that there is a range of Corporate Services (including Benefits, Revenues, Dudley Council Plus) which serve the public directly. On the other hand the Finance and Legal Services Division is largely internal and provides support services for the rest of the Council.
13. During the consultation it was suggested that under the proposed structure the Council would have to appoint either a Section 151 Officer or a Monitoring Officer as the Chief Officer for Finance and Legal Services and that whatever the outcome one of the statutory roles would have to be allocated to a fourth tier Head of Service post or, if appropriate, to the Strategic Director. An alternative structure was therefore put forward suggesting that the Chief Officer post should be for Legal and Property Services (including the Monitoring Officer) and Finance and Customer Services (including the Section 151 Officer). Whilst this has much to commend it, on balance I see greater merit in retaining from the original proposal a Chief Officer post that leads a coherent portfolio of customer and corporate service functions that can be improved and transformed for the benefit of service users and residents. This meets a key strategic priority for the Council. I do accept, however, that it is imperative to ensure that both of the statutory roles are placed at the right level within the new structure and this will be addressed when the new Strategic Director and Chief Officers have been appointed.

Market Forces Supplements – Policy and Procedure

14. A draft policy and procedure on market forces supplements is attached as Appendix 4. If approved, this will form part of the annual Pay Policy.

Appointments Committee

15. Dates have already been agreed for the Appointments Committee to interview internal candidates for the new Strategic Director and Chief Officer posts. It must be stressed, however, that the Appointments Committee reserves the right not to make an appointment in which case the post will be advertised in the usual way. The terms of reference of the Appointments Committee will need to be amended by the Council to include Chief Officer appointments.
16. The new Job Descriptions and Person Specifications for the new posts will be approved by the Appointments Committee.

Redundancies

17. In view of the fact that we are radically reducing the number of senior managers, there will be a number of voluntary and, possibly, compulsory redundancies. Five Officers have expressed an interest in voluntary redundancy. As is stated in paragraph 3.11 of the summary of consultations

at Appendix 2, there may be a need to have some temporary capacity at a senior level to ensure that the transition from the current structure to the new structure is effectively undertaken in order to achieve a fit for purpose organisation committed to transformation. It may be necessary, therefore, to phase the departure of certain officers in order to achieve these overall objectives.

18. At present appeals against compulsory redundancy are delegated to the Director of Corporate Resources. This would not be appropriate for appeals by senior managers and I recommend that such appeals be delegated to the existing Appeals Committee.

Overview and Scrutiny Management Board

19. The proposed structure was considered by the Overview and Scrutiny Management Board on the 8th September 2014 and their comments are set out in Appendix 5.

Future Consultation

20. As was agreed by Cabinet in July, the next part of the process will be the detailed development of the 4th tier structure following the appointment of the Strategic Directors and Chief Officers. There will be another period of consultation on these proposals during December 2014 and January 2015 with a further report to Cabinet in February 2015.

Finance

21. The proposed structure set out at Appendix 1 aims to realise ongoing savings in the region of £1 million. The exact level of savings will be subject to the level of any supplements (including any market forces supplements) that may be paid. It is also based on there being a fixed financial envelope for the fourth tier of the structure.
22. The precise impact on the Medium Term Financial Strategy will be calculated when the proposals (including any impact at Head of Service level) have been finalised. In calculating this impact, it will be necessary to adjust so as not to double count existing Directorate savings proposals at Assistant Director and/or Head of Service level and to account properly for the General Fund, Housing Revenue Account, Public Health budget and Dedicated Schools Grant.
23. Redundancy costs are dependent on the age and length of service of the individuals being made redundant and therefore cannot be precisely calculated at this stage. These are one-off costs that will be met, as with all redundancies, from provision within the Medium Term Financial Strategy.

Law

24. Section 111 of the Local Government Act 1972 enables the Council to do anything that is calculated to facilitate or is conducive or incidental to this discharge of its various functions. The restructure and consequent appointments process for the posts will be undertaken in accordance with the Council's employment policies and legislative framework.
25. Pursuant to Section 1 of the Localism Act 2011 the Council has the general power of competence to do anything that individuals may do.

Equality Impact

26. The Equality Impact Assessment which was attached to my July report is again attached at Appendix 6.

Recommendation

27. That Council be recommended to:-
 1. Note the outcome of the formal consultations summarised in Appendix 2. and the comments of the Conservative Group and Overview and Scrutiny Management Board set out in Appendices 3 and 5.
 2. Approve the new senior management structure set out in Appendix 1.
 3. Approve the spot salaries for the new Strategic Director and Chief Officer posts as set out in paragraphs 10 and 11 of this report.
 4. Approve the policy and procedure for market forces supplements set out at Appendix 4.
 5. Amend the terms of reference of the Appointments Committee and the Appeals Committee as set out in paragraphs 15 and 18 of this report.
 6. Authorise the Chief Executive to apply the approved policy on voluntary redundancies in accordance with paragraph 17 of this report.
 7. Note the next phase of consultation on the 4th tier structure referred to in paragraph 20 of this report.

John Polychronakis

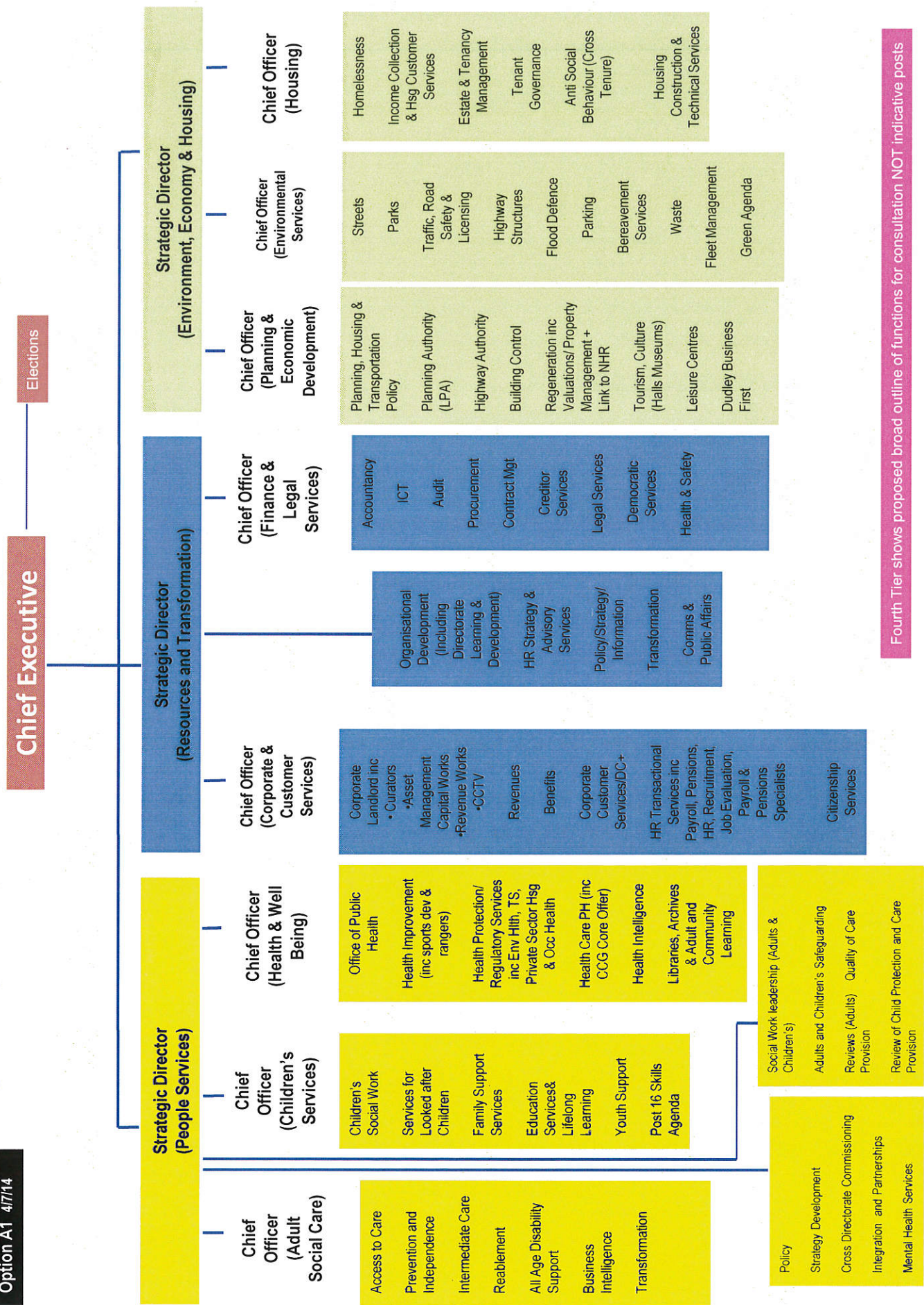
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JOHN POLYCHRONAKIS
CHIEF EXECUTIVE

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List of Background papers:

None



Fourth Tier shows proposed broad outline of functions for consultation NOT indicative posts

DUDLEY MBC

REVIEW OF SENIOR MANAGEMENT AND ORGANISATIONAL STRUCTURE

SUMMARY OF CONSULTATION RESPONSES: OFFICER CONSULTATION MEETINGS

1.0 BACKGROUND

1.1 All existing second and third tier officers were offered individual consultation meetings with the Chief Executive and a representative of West Midlands Employers. Meetings were scheduled and all the eligible officers took the opportunity to participate in a meeting. Six officers also took up the offer of a second meeting to provide a further chance to express their views on the proposals. A number of officers also provided their views in writing to the Chief Executive as well as participating in the meetings. The views expressed in those meetings and through written submissions are summarised below.

1.2 A small number of fourth tier officers also submitted written comments on the overall structure following briefings at management group meetings. Trade Unions were also consulted and no indications have been received that they are unhappy with the proposals following clarification of how the selection pool arrangements would operate in the event of the Council deciding to proceed with the restructure of its senior management.

2.0 RATIONALE BEHIND THE PROPOSALS

2.1 The vast majority of consultees emphasised their support for the broad thrust of the proposals. They fully understood that the Council had to be pro active in taking steps that made it a fit for purpose organisation and achieve the significant savings levels required by the sharp reductions in revenue support funding from central government. A number of respondents saw the need to try and protect front line services through a rationalised senior management structure.

3.0 PROPOSED ORGANISATIONAL STRUCTURE

3.1 There was widespread support for the basis of the structure in terms of the three Directorate model with the focus on People, Place and Resources each being led by a Strategic Director (SD). A couple of respondents argued that the Resources and Transformation Directorate should be slimmer in terms of the functions it contains and emphasised its enabling nature with the need to maximise capacity and resources in the other two Directorates. A small number of respondents cautioned against the sheer size of the proposed People Services Directorate and the fact that it would receive about 70% of the Council's overall budget- it must not become a mini Council acting on its own.

3.2 Positive comments were received in respect of the proposal to have individual Chief Officers for Children's Services and Adults who would also act as the respective Statutory Officers in these areas. This was applauded as was the general scope of the People Services Directorate with the alignment of the Health and Well Being functions within this group of services. The placing of Education and Lifelong Learning functions within the Chief Officer (CO) block for Children was also welcomed and that they were correctly positioned as being under a Head of Service (HOS) rather

than attracting a separate CO for Education in the light of the now well established pattern of school and college autonomy. The Council still, however, has statutory roles in respect of education (e.g. Special Educational Needs, School Place Planning and School Improvement) so senior officer leadership will still be required in this area.

3.3 The positioning of the statutory role of Director of Public Health (DPH) within the Health and Well Being Chief Officer was supported by consultees. Public Health England (PHE) and the Faculty of Public Health (FPH) who have a statutory role in the appointment of any DPH are also fully supportive of this positioning within the structure and the broadening of the DPH role across the Council in that it will help the Council meet its strategic ambitions around improving the health of local residents. The alignment of Environmental health and Trading Standards within HWB also attracted positive support.

3.4 There was good support in respect of the proposals around the Place (Environment, Economy and Housing) as a Directorate although there was some debate about a small number of individual functions and their optimum place in the structure- these are detailed below in para.3.12.

3.5 A number of consultees felt that the proposed structure was more supportive of partnership working locally, sub regionally and regionally with Strategic Directors and the Chief Executive having a strategic outward facing lead alongside political leadership.

3.6 The main area where various opposing views were expressed by consultees was in relation to the Resources and Transformation Directorate and the proposal to have just two Chief Officers with one of the two also taking on a key statutory role of either Section 151 Officer or Monitoring Officer (MO). Some respondents felt strongly that the two statutory roles should each merit individual CO posts. This view implies that the block of corporate customer and transactional services (such as HR payroll or Revenues and benefits) would be split up between the two CO posts instead of having a separate CO responsibility for Corporate and Customer Services as per the formal Cabinet proposal.

3.7 In essence the issue is that, given the need to look at just two CO posts in the Resources and Transformation Directorate whether more weight is given to Governance (151 officer and Monitoring Officer) at the expense of a coherent responsibility under a CO for a range of key Customer and Corporate Services and where the post holder can drive forward a coherent programme of service transformation with potential major benefits for customers and significant savings in developing new processes and ways of serving customers and clients.

3.8 Informal consultation was also held with the Council's external auditor on the Governance issue and Grant Thornton referred to statutory guidance on the section 151 officer role and CIPFA guidance. The external auditor had no objections to the proposed structure as long as the Council met the statutory guidance requirements.

3.9 With regards to the Monitoring Officer position the external auditor expressed no concerns or firm views as to whether the role be located within a second, third or fourth tier post. There is no specific statutory guidance on the MO post. The intention would be that if the MO post holder is appointed at either the CO or HOS tier he/she would have access to all corporate management team papers alongside other statutory post holders and attend meetings where appropriate and relevant.

3.10 There was some comment about whether there is sufficient senior leadership around the HR/Organisational Development functions and whether this would be a challenge to either a Strategic Director with the wider brief for Resources and Transformation as well as to any Head of

Service appointment to lead HR within the next phase of the restructure. In the latter instance would locating the HR/OD lead at fourth tier be appropriate given the need to influence senior managers on developing the Council's workforce and to also lead key negotiations with trade unions on a host of employment matters.

3.11 Views were also expressed that there may need to be temporary capacity at a senior level to ensure that the transition from the current structure to the new structure is effectively undertaken and that new ways of working are developed that support the intention to create a fit for purpose organisation committed to transforming ways of working to the benefit of service users and residents of the Borough. This will include work on leadership cultures and behaviours that can deliver the Council's key priorities.

3.12 There were a number of alternative suggestions around individual service functions listed below but it was generally accepted that it would be best to look at these when the next phase of restructuring at 4th tier /Head of Service is developed and consulted upon. The following gives a flavour of the varied views received around the allocation of a number of service functions- the list is not exhaustive.

- Should Dudley Council Plus be located in the Place Directorate given the very high percentage of calls are in relation to functions within this Directorate?
- Should Leisure Centres be aligned into the Health and Well Being portfolio of functions given their key role in supporting physical activity and related health improvement?
- Should the procurement function be decentralised across the whole structure given substantial commissioning and procurement activity in key areas such as Adult Care?
- Should Licensing (other than taxi and private hire) be aligned with the Regulatory services within HWB and the taxi and private hire moved to within the Environment, Economy and Housing Directorate to preserve and develop further synergy through the one stop community based setting that has recently been established in the Borough?
- Should Corporate Landlord functions be separate from Property Management and Valuation in different Directorates as per the proposal or integrated within the Place Directorate? There were some mixed views on this issue. Should Health & Safety be aligned with the Corporate Landlord given that this is where a lot of its business is generated?
- Should all Housing and property related services be located under a single CO position given the political agenda around housing and its importance?
- Should Safeguarding as a potential single Head of Service function be firmly located within the CO (HWB) responsibility rather than being seen at present as a function reporting directly to the SD (People Services) where the post holder's role is outwardly facing and strategic?
- Should Library and Archive services be kept together with the Life Long (Adult) Learning function especially if a future option is to provide these services via a Trust? Are Library Services best aligned with Customer Services as libraries are often key contact points for customers of the Council?
- Should Bereavement Services be located alongside the Registrar's service within a Corporate and Customer Services function? Or alternatively should the function be combined with Citizenship services within the HWB part of People Services?
- Should HR/OD functions be split as proposed with transactional services aligned with corporate and customer service functions and the advisory and strategic HR functions reporting directly to the SD (Resources & Transformation)? Is there a case to keep all HR service functions as a coherent whole?

3.13 Some concerns were expressed about whether the next phase at 4th tier and below would contain sufficient capacity to release senior managers to act and work strategically and provide support to other officers with heavy responsibilities for the operational effectiveness of services. These concerns included a need to ensure greater empowerment, encouragement and space to innovate ensuring that the enabling service and infrastructure supports effective decision making. There was also a reference to whether succession planning would be more difficult with widening gaps between the management tiers (e.g. COs having strategic as well as operational responsibilities compared with current Assistant Directors).

3.14 Some comment was received about as to whether the political leadership and Cabinet member responsibilities would effectively align with the SD and CO responsibilities with duplication and overlap minimised. The alignment of the Scrutiny function was also raised and whether changes to Scrutiny would need to be made to take account of the new organisational structure. These issues will need to be considered by elected members when the eventual structure is finalised and appointments made to posts.

4.0 PROPOSED JOB DESCRIPTIONS AND PERSON SPECIFICATIONS

4.1 The job descriptions and person specifications were largely regarded as fit for purpose even if a little lengthy (they must be sufficiently detailed to inform the job evaluation exercise necessary to decide upon pay and grading).

4.2 Some inconsistencies have been picked up in the generic parts of job descriptions across some CO posts and these will be addressed in the final versions where the same generic content will be used across the whole CO tier. These inconsistencies largely relate to how partnership and transformation responsibilities are described and whether the post holder leads or contributes to these activities.

4.3 A number of consultees felt that the CO job description should contain a stronger focus on the strategic element of the roles which was seen by some as the primary purpose of the role rather than an operational focus. The proposed structure has been based upon the CO posts being fully accountable for service delivery under the direction of the relevant SD. The CO would also be fully expected to liaise with the relevant Lead Member on service delivery issues. These posts would, however, also be expected to make a significant contribution in supporting the SDs in the ongoing development of strategy in their areas. This balance has been addressed in the final versions of job descriptions and person specifications.

4.4 The FPH as a statutory consultee on the DPH post which is integrated within the CO (HWB) post has asked that the full content of the DPH exemplar job description issued by the FPH is included in the current issue of the job description for proposed CO post as opposed to a summary version of the DPH duties and responsibilities which has been blended with the wider HWB responsibilities. PHE which is also a statutory partner in the DPH appointment process has argued for a stronger expression of the DPH's strategic leadership role in the job description.

4.5 The CO (HWB) job description has been modified within a further draft to retain as its core the wider HWB responsibilities and corporate focus whilst the statutory requirements of the DPH role have been included in their entirety as an annex to the main job description and cross referenced with the core part of the document where appropriate.

5.0 PROPOSED PAY GRADES

5.1 This area attracted a significant number of comments with respondents roughly equally divided as to whether there should be a single pay band or as proposed two pay bands at CO level with the Statutory Officer positions attracting a higher pay band as per the outcomes of job evaluation undertaken by WME.

5.2 A number of respondents argued the case strongly that there should be a differential given that there were greater risks and more complex levels of responsibility with posts associated with the statutory officer roles. Others argued that a starting position with differential pay within the CO tier potentially undermined the need for this group to gel and display unity in taking the Council forward. A few officers argued that there were inherent risks within the EEH Directorate CO roles that weren't necessarily articulated to the extent that they might be in People Services for example.

5.3 The issue of differential pay was seen as less of an issue at the SD tier where there appeared to be a greater level of consensus that the SD (People Services) should be paid on a higher salary scale than the two other SDs

5.4 There was an acknowledgement that should posts need to be advertised externally there may well be a need to apply a market factor to take salary above the proposed rates for COs and possibly SD posts. Some respondents emphasised that this should only be applied if there was a need to appoint from outside the Council rather than attaching a market factor irrespective of whether there was a need to advertise externally. The provisions of the Council's existing Market Force Supplements will be applied where relevant.

5.5 PHE and the FPH both felt that the CO (HWB) post inclusive of the DPH duties would require a market supplement of possibly 20% of base salary for the post to attract a quality candidate in a very tight DPH market. Benchmarking activity undertaken by West Midlands Employers has indicated, however, that many metropolitan borough and unitary councils are employing DPHs on salary bands very similar to that currently proposed through the paper considered by Cabinet on 3rd July 2014. It will be recommended to the Appointments Committee that the CO (HWB) post including the DPH role is advertised at the proposed salary band of £95k to £99k.

5.6 A large number of consultees felt that there should only be fixed spot salaries rather than incremental scales as proposed. These respondents stressed that there was possible reputational issues in that the first round of incremental progression would see the highest earners enjoying a pay rise when the rest of the Council could possibly be subjected to a further pay freeze or a below inflationary rise. Incremental progression is, however, a feature of all other pay scales across the authority and the original proposal if adopted ensures a consistency of approach for all employees regardless of status.

5.7 Other comments included reference to the challenge of trying to meet any demands or public expectations that the incremental rises are linked in some way to performance and how this would be measured. Alternatively the basis of an increment to reflect a year's experience in the post was seen as inappropriate with further comment that at such a senior level the appointee should be expected to master their responsibilities from the first day of office.

5.8 Some respondents emphasised that the proposed salary levels for SD and CO posts now reflected the regional rates for similar posts. Comment was also made that the significant reduction in senior managers envisaged by the proposals with a 45% decrease in the number of officers at

third tier and above would have a major impact on job size and scope of responsibilities for those remaining posts. Given this reduction comment was made that the proposed salaries reflected that fact and are also at a level that should attract high quality candidates should any post be subject to external advertisement.

6.0 SELECTION POOL ARRANGEMENTS AND ASSOCIATED TIMESCALES

6.1 There was no adverse comment on the proposed selection pool arrangements and all understood that appointments from the selection pool could not be guaranteed and that subject to the implementation of its Redeployment Policy the Council may decide to eventually advertise any of the proposed posts on the open market.

6.2 The indicative timescale was understood without any views expressed that it was inappropriate. The main comment in this area related to the timing of the appointment of the new Chief Executive and whether the appointed candidate could play any part in the appointment of the SDs and COs given the close proximity time wise of the two selection processes for the Chief Executive and the SD/CO posts. A number of respondents felt that the Chief Executive Designate should participate in the selection process for 2nd and 3rd tier officers.

7.0 OTHER COMMENTS

7.1 A number of officers especially those in acting posts welcomed the opportunity to comment on the proposals and felt that the whole process of the senior management restructuring was to date being well managed. Negative comment on the process was minimal.

7.2 Many consultees expressed the view that the new structure would help the Council move its agenda forward within challenging budgetary conditions. A number of respondents referred to the need to support the restructure at all levels through well considered leadership on cultural change and that it was vital to appoint the right senior officers who could inspire and motivate employees. The need for an accompanying cultural change programme to support the new posts was raised by a number of officers in the consultation round.

7.3 The restructure was seen as a radical and brave step for the Council in the eyes of a number of respondents. Overall there was much support for the need to take such steps even allowing for the resultant anxiety that will be experienced over personal job security and uncertainty of future position.

John Polychronakis

From: Cllr. Patrick Harley
Sent: 10 September 2014 11:14
To: Teresa Reilly
Cc: John Polychronakis

Hi Teresa

This is the submission for the consultation from the Conservative Group:

It covers three key aspects of the report:

- 1) Duration of future Chief Executive
- 2) Children's & Adults Social care
- 3) Pay structure

1)

The Conservative Group recognise that such a post is essential to both "hold a complex organisation together" and drive forward the political leadership's vision for the Borough. It is accepted that such was Dudley's renown as a well-run local authority that it had been consistently successfully in retaining senior officers who could probably have sought greater financial reward elsewhere. However, the restructuring plan should be an evolving project and one that within 5 years could possibly deliver capability to function without the need to employ a Chief Executive in the current role and pay structure.

Therefore we would propose that any new Chief Executive is employed on a fixed term contract. This would enable politicians to measure performance and ensure that the relevant change was being driven from the Chief Executive down. One of the current issues is that senior members of the council hierarchy have been accused of creating silos and empire building and of then being protectionist when challenged with change. A new CE on a fixed term would be tasked with delivering the real change needed geared to pushing through the necessary transformation of the Council – "recruiting for a task, rather than for a job."

Obviously, a fixed term could be renewed if the Council Leadership at that future time thought it an option. At the same time future consultation may decide that the role could be changed to that of a hard-driving Chief Officer instead.

2)

It seems that the basic premise for separating out adult and children's social services was the size of the budget under the control of a single Chief Officer. This really makes no sense as it is the fitness for purpose of the service that should be a priority rather than the relative 'clout' of the officer.

The Conservative Group having looked at a number of scenarios feel that if we are really going to remove silos and have cross council working, we only need to remove the word 'children's' from the top line of the children's social services chief officer.

This will actually have the effect of balancing the budgets of the Chief Officers better across portfolios. Since most members all appear to agree that children who have demand on social work

support are normally the product of a dysfunctional family, we believe we should include the line troubled families in that brief also.

As education is becoming a smaller part of the Councils responsibility and seems likely to continue that way, it seems reasonable to leave it where it is. The effect of this small amendment will be to effectively turn the 'Chief Officer for Children's services' into the 'Chief Officer for social care commissioning and education' and the 'Chief Officer for Adult Social Care' into the 'Chief Officer for Social Care provision'. A client and provider relationship which is particularly relevant if you look at the lines 'Access to Care' and 'All Age Disability Support'.

3)

We do not accept that 11 very privileged individuals will have effectively been exempted from the austerity measures of the last four years by having a pay increase of between 30 and 40 percent, whilst all other staff have had their pay frozen (even those on the lowest pay scales). If we take account of the single status changes, many have had their pay cut.

The suggestion that the extra responsibilities would lead us to being unable to recruit the right calibre of people may be true, but that is a bridge we should cross 'IF' we come to it. This looks for all the world like fat cats looking after themselves.

The Group were interested to hear how Colin Williams suggested that the £1 million saving would be made by setting a budget envelope for the review of the forth tier management. This, in effect means that the extra £300,000 being paid to those 11 can't be used to fill 4th tier responsibilities. This could well have the perverse effect of overburdening more junior managers and causing service failures due to lack of control.

This is bad management. We might just as we have gotten rid of the surplus AD's and created three new Directors on the current pay scales instead. Minimal disruption, minimal redundancy payments required, which by the way, haven't been factored into the savings figures presented. When will these savings show any return after redundancy or early retirement bonuses, as the salary increases will be with immediate effect.

Looked at another way, if we leave their pay as is, we could save £1.3 million.

Many thanks
Cllr Harley

Policy & Procedure for Market Forces Supplements



1.0 Introduction

- 1.1 The Council is committed to the principles of equal pay for work of equal value and has introduced job evaluation schemes to measure the relative value of relevant posts.
- 1.2 This document sets out the Council's Policy relating to Market Force Supplements (MFS), the Procedure by which requests are considered and approved, how they are determined and the conditions applied to them.

2.0 MFS

- 2.1 There will be occasions when the grading determined for a post through job evaluation is insufficient to successfully recruit to or retain staff in particular posts because of market rates offered by other (public sector) employers locally, regionally or, in some cases, nationally. To address this, it may be appropriate to pay a MFS in addition to salary to ensure that such a post can be filled or the post holder retained by the organisation. Such a supplement is lawful under the Equal Pay Act (1970/5) where there is evidence to justify that market factors are the 'genuine material reason' for the post attracting a higher rate of pay than other similarly graded posts.
- 2.2 Market factors should not be used to protect existing hierarchies, therefore, its usage is not intended to be used as a means to re-instate or maintain a particular level of pay.
- 2.3 The first and most important principle of MFS is that they should reflect the levels of pay (not other benefits) in the market for which they are determined. This allows the supplements to be removed or eliminated over a period and ensures that they are introduced for an identifiable and specific purpose and period.
- 2.4 The use of MFS must be based on factual evidence and not simply used as an alternative to resolving other managerial issues. If MFS are not based on market evidence, the Council will remain open to equal pay challenges.
- 2.5 In applying the MFS scheme, the following criteria must be met:
 - a) Payments must be approved by a Head of HR in conjunction with the relevant service Chief Officer and the Chief Officer with responsibility for Finance;
 - b) Clear evidence of difficulties in recruiting or retaining staff must support applications. This will include advertising costs, numbers of applicants, brief and unbiased comment on calibre of applicants, results of interviews and identified shortfalls. In the case of retention, evidence of employees applying for the same kind of job elsewhere in the public sector must be provided;
 - c) A clear rationale must be outlined with each application for MFS that describes why a particular post should attract a supplement MFS and what benefits the application of a MFS will bring;
 - d) The amount to be paid as a market supplement can only be changed (increased, decreased or removed) as a result of a formal review;

APPENDIX 4

- e) All applications will be limited to a three-year span and will end automatically at that time unless a new business case has been submitted and agreed following a formal review by the relevant service Chief Officer after 2 years;
- f) The supplement will be for a fixed amount based on market data evidence. Wherever relevant and available in sufficient volume, such evidence drawn only from comparable organisations will be established through the national local government “Epaycheck” database operated in partnership between the LGA and Regional Employers Organisations;
- h) Market supplements will be superannuable and will be subject to normal deductions e.g. tax and national insurance;
- i) All particulars, including employment contracts for such posts must identify market supplements as a distinct and separate element of pay and must state the duration and conditions of the supplement;
- j) All staff holding posts in the same unique job group (as identified under the relevant job evaluation scheme) must receive the same supplement on the same conditions;
- k) On approval of the request for a MFS, the appropriate rate will be determined by HR and OD based on the information held on database;
- l) Only in exceptional circumstances will a MFS payment in excess of two additional grades be approved. If the MFS identifies the need for more than 2 grades above then the relevant Chief Officer, supported by HR will undertake a formal review of the structure and overall comparative structures to identify whether the issues can reasonably be tackled more holistically.
- m) All post receiving a MFS payment will be reported in the annual Pay Policy statement

3.0 Managing / Reviewing Market Forces Supplements

- 3.1 MFS must be approved corporately to ensure that there is consistency across the Council and to ensure that decisions to pay supplements can be objectively justified if challenged.
- 3.2 To apply for a MFS the relevant Head of Service needs to prepare a business case following consultation with the HR Service Partner and confirmation from the Group Accountant that funding is available. The business case must meet the conditions outlined in paragraph 8.5 and section 9. The report should be submitted to a Head of HR to confirm that the evidence in the business case is satisfactory and that the case is equality compliant before submission to the service Chief Officer and Chief Officer with responsibility for Finance. If approved by these Chief Officers, a Decision Sheet will be required to be submitted to the Cabinet Member for HR &OD for final authorisation.
- 3.3 The length of time for which the initial supplement remains in place should not exceed three years. At the end of year two, the MFS must be reviewed to ensure that the supplement remains justified. Such a review should take the form of re-submission of evidence indicated in section 8.5 and should be approved through the mechanism in 9.2. Where the market changes to the extent that the supplement can no longer be justified, it must be removed. Equally, if market evidence and recruitment/retention rates indicate the MFS should be increased or decreased, a revised business case may be submitted for approval through the mechanisms outlined in 9.2. If a post to which a supplement is attached becomes vacant, the supplement must be reviewed before permission to fill the post is sought.

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3.4 At the point of review at the end of year two, any new authorisation of a MSF payment would come into effect at the end of year three. Therefore, Managers need to be clear about the longer term need for the supplement. Any decision to increase the supplement would come into effect immediately. The increased rate would also apply to any extension of the supplement due to take effect at the end of year three. Similarly, any decision to reduce or remove the supplement would come into effect at the end of year three, effectively giving one year's protection and notice of the change. The relevant Chief Officer will issue notice of any change/the outcome of the review. If a market is particularly volatile any change to these arrangements must be based on a revised business case drawn up in line with paragraph 8.5 and section 9.

3.5 At the review stage any MFS payment identified to be reapplied after the 3 years will require confirmation through the Decision Sheet process for HR&OD Cabinet Member.

4.0 Determining Market Forces Supplements

4.1 In order to be defensible in case of internal or external challenge, any supplement must meet **the initial mandatory criteria** of being able to evidence one unsuccessful attempt to recruit in the preceding four months **plus at least one** of the following four criteria:

- 1) Regional public service market data shows higher salaries for **equivalent** work;
- 2) DMBC will only pay MFS where the median of the salaries range for equivalent work in the organisations covered by the comparative data set is 10% above the level currently paid within the council following evaluation;
- 3) Up-to-date market information must be obtained by HR from the Epaycheck database, or an alternative reputable database for specific roles in particularly volatile areas. Any costs associated with market testing and research will be met by the relevant directorate and procured by HR;
- 4) Evidence of skilled staff leaving the Council to neighbouring authorities for higher salaries. (Comparable job descriptions/specifications and exit interviews evidence should be available).

4.2 In all cases the criteria triggering requests must be valid and demonstrable at the time that the supplement is requested. Supplements must not be paid to compensate for salary changes arising from restructures or job evaluations.

5.0 Payment of Market Forces Supplements

5.1 Any supplement paid to a newly recruited post holder should be paid to all other post holders in identical posts (identified as the same job group under job evaluation) as a retention aid. Failure to do so could result in claims of discrimination. Details of the number of other posts that would receive the MFS must be included in the initial request for information. It is critical that an equality impact assessment (EIA) analysis is compiled to assess the affected posts before any MFS payment is approved for a whole job group. This should be submitted as part of the information for the service Chief Officer and Chief Officer with responsibility for Finance and will be a background paper for the political Decision Sheet.

6.0 Equality

6.1 Inconsistently managed MFS may give rise to equal pay claims and hence must be based on objective, demonstrable criteria at the time of application and throughout the

duration of the payment. An EIA analysis will be compiled prior to the payment of any MFS as set out in paragraph 11.1.

7.0 Funding

- 7.1 There is no central budgetary provision for payment of Market Forces Supplements. Services will need to identify existing resources at the time of application; this needs to be confirmed by the appropriate Group Accountant. Particular emphasis needs to be given to considering costs when a whole job group would attract payment. Consideration must also be given to the fact that some job groups are spread across a number of directorates

Minutes of the Overview and Scrutiny Management Board

Monday, 8th September, 2014 at 6.00 p.m.
at the Council House, Priory Road, Dudley

Present:

Councillor Tyler (Chair);
Councillor A Finch (Vice-Chair);
Councillors D Blood, I Cooper, C Hale, M Hanif, R James, L Jones,
M Mottram, K Turner and M Wood.

Officers:

R Sims, Assistant Director (Housing Strategy and Private Sector - Lead Officer to the Board) – For Minute Nos. 9 to 15 below.

J Polychronakis (Chief Executive), C Williams (Director – West Midlands Employers) and S Griffiths (Democratic Services Manager - Directorate of Corporate Resources)

9 **Apology for Absence**

An apology for absence from the meeting was submitted on behalf of Councillor C Elcock.

10 **Appointment of Substitute Member**

It was reported that Councillor M Wood had been appointed as a substitute for Councillor C Elcock for this meeting of the Board.

11 **Declaration of Interests**

No Members declared interests, in accordance with the Members' Code of Conduct, in respect of any of the items to be discussed at this meeting.

12 **Minutes**

Resolved:

That the minutes of the meeting held on 11th June, 2014, be approved as a correct record and signed.

13 **Change in Order of Business**

Resolved:

That the remaining items of business be considered in the order shown in the minutes below.

14 **Amendment to the Annual Scrutiny Programme 2014/15**

Further to Minute No. 7 of the meeting held on 11th June, 2014, the Director of Corporate Resources reported on a proposed amendment to the Annual Scrutiny Programme for 2014/15.

At its meeting on 16th July, 2014, the Health Scrutiny Committee had resolved to recommend the Board to consider a proposal to change the Health Scrutiny Committee's area for review to be the Dudley Physical Activity and Sport Strategy. This would replace the original item on Elements of Patient Experience in Acute Care.

A view was expressed that the proposed amendment undermined the validity of the process whereby the Board set the Annual Scrutiny Programme at the start of the municipal year. A Working Group had already been established to begin consideration of the Dudley Physical Activity and Sport Strategy.

The Chair of the Health Scrutiny Committee responded to the above points. It was noted that the proposed amendment was a recommendation from the Health Scrutiny Committee, however, the final decision rested with the Overview and Scrutiny Management Board.

Resolved:

That the recommendation of the Health Scrutiny Committee to amend the Annual Scrutiny Programme for 2014/15 by the inclusion of the Dudley Physical Activity and Sport Strategy, in place of the item on Elements of Patient Experience in Acute Care, be approved.

15 **Forward Plan of Key Decisions**

The Board received the Forward Plan of Key Decisions for the four month period commencing 1st September, 2014.

Reference was made to the item in the Forward Plan concerning consultation on School Place Planning and it was noted that this was within the remit of the Children's Services Scrutiny Committee.

With regard to the localised Council Tax Reduction Scheme the Board noted that consultation would only be required if the scheme was amended from that agreed by the Council in December, 2013.

Resolved:

That the Forward Plan of Key Decisions be noted.

16

Review of Senior Management and Organisational Structure

The Board considered a report of the Chief Executive on proposals for the Council's senior management restructure. Following an introduction from John Polychronakis, Chief Executive, the Board received a presentation from Colin Williams (Director – West Midlands Employers) on the proposed senior management and organisational structure, together with proposals for the appointment of a new Chief Executive. The Cabinet had endorsed proposals at its meeting on 3rd July, 2014 to form the basis of formal consultation in line with an agreed procedure and timetable.

The Chair indicated that no written questions had been submitted in advance of the meeting and invited Members of the Board to ask any questions on the report and presentation. The Board raised a range of issues as follows:

- The creation of a Strategic Director (Resources and Transformation) was noted. However, a Member questioned why Finance and Legal Services had been combined in the remit of one Chief Officer, with particular reference to the distinct governance roles of finance and legal services, including the statutory functions of the Section 151 Officer and the Monitoring Officer. The Board was advised that this was ultimately a matter for the Council to decide. However, the structure provided for all statutory officers to have direct channels of communication to the Chief Executive. Future job descriptions would clarify this and the statutory officers would be represented on the Council's senior management team. The recommendation was based on the number of Chief Officers overall and the need to reflect major corporate challenges associated with the transformation of services. The Chief Executive indicated that this issue had been raised during the consultation and would be reflected in the report to the Cabinet and Council in October, 2014.
- The structure was designed to be flexible to respond to any future decisions of the Council to outsource functions or to adopt different models of service delivery, without undermining the basis of the organisational structure.
- Members questioned whether the salaries of Chief Officers would be set at the same level or reflect different levels of responsibility. It was reported that posts had been evaluated and currently, two bands of 'job size' had been identified at Chief Officer level. An alternative was to consider market supplements for certain posts in appropriate circumstances.

- Arising from the above point, it was reported that the three proposed Strategic Director posts had also been subject to a job evaluation process, leading to potentially different salaries for these posts taking account of varying levels of responsibility.
- It was confirmed that teaching staff were not included in the restructuring proposals under consideration at this meeting.
- The financial implications were questioned in the context of the overall saving of £1m from senior management posts. Although the number of Directors and Chief Officers would be significantly reduced, the job evaluation of the senior posts would result in additional costs to be absorbed elsewhere in the structure. Assurances were sought that any increase in senior management salaries would not create unacceptable pressures on 4th tier posts and below. A key principle of the restructure was to devolve greater responsibility and decision making to lower tiers of management and it was considered important to ensure that the workloads of employees at fourth tier and below were not increased to levels that created unacceptable risks to services. A concern was also expressed that the structure did not contain sufficient flexibility to address these concerns at a later date if adverse service issues became apparent.
- The Chief Executive acknowledged that risks had been identified during the consultation process and all efforts would be made to minimise these risks moving forward. However, the principles associated with greater devolved decision making were fundamental to the change of culture and approach referred to in the report. The proposals aimed to establish a structure that was 'fit for purpose' and save £1m, taking account of reductions in senior management levels together with associated support and on costs.
- Reference was made to the allocation of responsibilities below Chief Officer level. It was noted that the proposed structure indicated a broad outline of functions for further consultation once the senior management positions were appointed. Job evaluations would be undertaken, but the restructuring would have to be implemented within the overall savings identified. Particular reference was made to the possibility of reconsidering the inclusion of ICT Services as a function under Finance and the possibility of combining relevant budgets to support the transition of young people from Children's Services to Adult Services.
- In relation to budget responsibilities, the Chief Executive indicated that the structure would provide for a corporate approach with significant input from the 3 strategic Directors and the Corporate Management Team. The structure recognised the significant corporate budgetary challenges faced by the Council in future years.
- The Board acknowledged the significant corporate challenges associated with service transformation and particular areas that would be affected with key developments such as the implementation of the Care Act.

- In response to a question concerning the approach taken by other metropolitan authorities, an assurance was given that the structures of other Councils had been considered in submitting recommendations. However, the key issue was to propose a structure that was fit for purpose in Dudley and which met the financial brief to save £1m.
- In response to a question concerning feedback received to date, the Chief Executive reported that the restructuring was an inclusive process and the two main areas of feedback related to the Chief Officer for Finance and Legal Services and the salary grades of the Chief Officer posts. These issues would be reflected in the report to Cabinet and Council.
- Further comments were made concerning the potential for reductions in the number of posts at 4th tier level and the effect this might have on services, particularly in the event of the long term absence of any key post holders. It was considered that a key element of the restructuring was the ability of the Council to recruit and retain employees and in this regard, the Council should pay the market rate for key posts within the overall budget available.
- In response to a question concerning the inclusion of private sector housing alongside health and wellbeing functions, it was noted that all the functions at 4th tier were subject to review and there was a potential for functions to be moved during the next stage of consultation.
- The Chair indicated that since the existing Scrutiny Committees were based on Directorate structures, the restructuring would necessitate a review of Scrutiny Committees and associated support functions. This was a matter for Members to consider, but it was suggested that Scrutiny Committees should closely reflect the 8 Chief Officer (and Cabinet Member) portfolios in the future.
- Reference was made to the involvement of the Council's workforce in the consultation and the Chief Executive repeated his commitment that the process was being managed in an inclusive and consultative manner. Trade Unions had been involved in the first stage consultation and various responses had been received from individual members of staff following the publication of information on the Intranet. A further detailed consultation would take place during December/January, following the appointment of the Chief Executive, Directors and Chief Officers, in line with the timescales set out in the report.
- The Chair questioned the 'ring fencing' of posts at 2nd and 3rd tier levels, which might not achieve the required fundamental change in culture and approach as referred to in the report. The Chief Executive indicated that existing post holders would not be automatically appointed to any new posts under the revised structure. Existing post holders would be afforded the opportunity to be considered, but the decision on appointments was a matter for the Appointments Committee. Posts would be advertised externally if the Committee so decided.

- In relation to Black Country Joint Working and shared services, the Chief Executive emphasised the need for the Council to be engaged in more collaborative working with the Black Country and West Midlands authorities. The proposals were designed to achieve stability over the next three years and the proposed structure would not restrict any ongoing work.
- Reference was made to the potential for scrutiny support being included in a centralised policy support team. Such a team could also oversee corporate issues such as equality and the co-ordination of funding bids. It was recognised that the restructuring might provide the opportunity for services to be realigned or centralised from within existing teams. However, the creation of dedicated support functions would have to be viewed in the context of overall affordability and the potential for self-financing.
- Support was expressed for the combination of Planning and Economic Development functions within the Chief Officer portfolio.
- It was noted that in addition to the Leader and Deputy Leader, the 8 Chief Officer positions would mirror the future Cabinet portfolios. The view was repeated that Scrutiny Committees should be closely aligned to these portfolios to allow Members to undertake in depth scrutiny of specific topics.

Following the general discussion and final comments, the Board was invited to consider making any recommendations or observations to the Cabinet. The following points were noted in summary:

- The Council must consider and work within the overall financial 'envelope' with the aim of saving £1m from senior management. The pay structure at the top three tiers of management should not inhibit the proposals for the development of management at the 4th tier and the Council should be mindful of any potential risks to services as referred to at this meeting.
- Consideration should be given to combining Adult and Children's Social Services budgets to take account of the need for seamless management of key budget issues in the future.
- Assurances were sought that the new structure would provide for flexibility and corporate working across all service areas.
- The restructuring should build in appropriate flexibility to ensure that any ongoing issues can be reviewed and dealt with in a timely way and that the overall proposals should be subject to full evaluation after 12/18 months.

- Subject to points noted above, general support was given to the proposal to review functions at the 4th tier level following the appointments to the top three tiers of senior management, in accordance with the agreed timescales. It was confirmed that the 4th tier consultation would be reported to the Board in due course.
- The changes to Directorate structures would necessitate a full review of Scrutiny Committees and this should be a Member-led process.

At the conclusion of the meeting, thanks were recorded to the Chair and Members for their contributions to the consultation process. The Chief Executive and the Director of West Midlands Employers were thanked for their attendance and responses to the issues raised at the meeting. A Member also recorded his thanks to C Williams for his past work on the implementation of the pay and grading review.

Resolved:

That the Chief Executive include a summary of the key issues raised by the Board, as set out above, in his report to the Cabinet on 1st October and the Council on 13th October, 2014 concerning the review of the senior management and organisational structure.

The meeting ended at 7.55 p.m.

CHAIR



Equality impact assessment

Name of policy, service or decision:

Review of Senior Management Organisational Structure.

Lead directorate: Corporate Resources (with support from West Midlands Employers)

<p>1. Description – what is being assessed?</p> <p>The impact of a potential major restructuring of senior management posts and responsibilities to include all posts (87 posts) currently operating at 4th tier level or above in the current organisational structure. The review of senior management posts has been undertaken with a view to securing a future structure that it is both fit for purpose and capable of achieving up to £1 million pounds worth of savings against the current organisational model. The number of posts is likely to reduce to a figure of 71 although this will need to be finalised through further consultation and proposals at the later stages in the programme mainly due to be implemented by 31 March 2015.</p>
<p>2. Lead officer on assessment:</p> <p>David Johnson, Associate, West Midlands Employers.</p>
<p>3. Head of service:</p> <p>John Polychronakis, Chief Executive</p>
<p>4. Members of assessment team:</p> <p>David Johnson, Associate, West Midlands Employers, Colin Williams, Director, West Midlands Employers, Teresa Reilly, Assistant Director, Human Resources and Organisational Development.</p> <p>EIA shared with relevant trade unions</p>
<p>5. Date assessment began: 9TH June 2014</p>
<p>Background</p>
<p>6. What are the aims and objectives or purposes of the policy or function/service?</p> <p>The Council has over the past six months engaged West Midlands Employers</p>

(WME) to undertake a major independent review of the current senior management structure. The senior management structure needs to be fit for purpose taking account of the strategic aims of the Council and its responsibility to commission and/or deliver both a range of statutory and non statutory functions to the people of Dudley and in doing so offer value for money.

The Council also faces an ongoing and challenging financial public sector environment with the consequent need to achieve significant levels of savings. The review of senior management organisational structures has been undertaken with a view to achieving a position where full year savings of up to £1 million can be realised whilst still maintaining sufficient senior management capacity to support elected members to deliver the aims and objectives of the Council for the benefit of Dudley.

The proposed structure for formal consultation has been arrived at through the independent review undertaken by Colin Williams, Director, WME and has involved a significant amount of consultation with both officers and elected members in the examination of a range of potential organisational structures. Benchmarking has taken place in relation to other similar metropolitan and unitary councils both locally and nationally.

7. Who is it intended to affect or benefit (the target population)?

The Council's budget reduction process and its consequential impact will have an effect on service users of the Council and potential service users and carers given issues such as changing demography. The senior management restructuring process will impact on managers and other employees and will need to be managed through an effective management of change programme.

The key benefits may not be immediately apparent at the outset but the new structure allied to the drive around the service transformation agenda and underpinned by an effective organisational developmental programme for managers will combine to provide the Council and local residents with highly skilled professional and community leadership aimed at improving the quality of life in the Borough.

Details of dudleys current salary ranges are detailed at the end of this EIA

8. What are the main issues relating to each protected characteristic?

Consider all three parts of the public sector equality duty:

- eliminating discrimination, harassment and victimisation,
- advancing equality of opportunity, and
- fostering good relations

All protected characteristics

Posts paid at or above grade 14 (£50,358) on the pay scale can give a reasonably reliable indication of current senior management numbers in terms of capturing data relating to diversity and protected characteristics. There are currently 87

	<p>employees paid at grade 14 or above and the following analysis uses data relating to this group where relevant. The number of posts ultimately affected by restructuring proposals is very similar although the final number will be determined through further proposals to be brought forward in early 2015.</p> <p>It is not possible to break down the group of 87 employees into the specific management tiers (Directors, Assistant Directors etc.) for purposes of this equality impact assessment as this would place individual employees at risk of personal identification and breach the confidentiality of employee data.</p> <p>Comparative figures for the whole Dudley MBC workforce (6863 employees excluding schools) are also given where relevant.</p>
Age	<p>39 employees who are paid on grade 14 or above are aged 55 or over and this represents 44% of the management cohort potentially subject to restructure proposals. This is a significantly higher figure than that which applies to the whole Dudley MBC workforce where 23% of all non- school employees are aged 55 or over.</p> <p>This discrepancy may well be explained by the fact that over the last few years the Council has offered employees the opportunity to apply for voluntary redundancy as part of successive budget round savings proposals and these have reduced the size of the workforce outside senior management grades. 93 non school employees for example took voluntary redundancy in 2013/14. Voluntary redundancy tends to be more attractive to employees over the age of 55 who can access pension benefits if a member of the LGPS.</p> <p>10% of the management group are aged 60 or over and this particular figure is the same as that which applies to the total Dudley MBC workforce profile.</p> <p>When an expressions of interest in VR is run corporately all employees have the opportunity under current policy to express an interest in voluntary redundancy (VR) if the service can accommodate the request. In the light of pension provision and severance payments those who volunteer are likely to be within older age groups (55 years of age and above) given the ability to</p>

	<p>access pension with or without actuarial reduction. Volunteering is a progressively less attractive option to employees below the age of 55 due to the lack of immediate access to a pension benefits.</p> <p>In terms of compulsory redundancies older employers may find it more difficult to find alternative work outside the Council despite age discrimination legislation.</p> <p>The options for any displaced senior managers who are made compulsory redundant may be limited as other public sector organisations across the region undergo similar reductions in senior management capacity with few opportunities for external recruitment.</p> <p>Selection pools in compulsory redundancy situations will employ selection criteria that do not discriminate on grounds of age whilst interview procedures (and any associated assessment tools) will focus on skills and competencies rather than time served to eliminate the potential for age discrimination in appointments.</p>
Disability	<p>Of the management group paid on grade 14 or higher there are 8 employees (9%) who have declared that they have a disability. 70% of the group have preferred not to disclose whether they have a disability or not leaving 21% who have declared no disability.</p> <p>The management cohort figure (9%) for disability is significantly higher than the Council as a whole with just over 3% declaring that they have a disability in the workforce (excluding schools). This discrepancy may be partly explained by the fact that the management group profile is older with higher proportions of employees aged 55 or older than the general workforce profile.</p> <p>Selection pools used to ring fence employees to posts will not have any criteria that uses absence that is in any way related to a disability. Employees are encouraged through an annual return to advise the Council of any change in circumstances around the issue of disability to ensure that appropriate advice and support can be given on the basis of updated information to any potential applicant for a post(s) in line with the published recruitment and selection policy. Reasonable adjustments will be made in the</p>

	<p>appointment procedures to accommodate any declared disabilities.</p>
Gender reassignment	<p>At present there are no employee statistics available to support any analysis or commentary on this protected characteristic although the Council's policy is to ensure that employees who have undergone or about to undertake gender reassignment are not in any way discriminated against in the operation of its employment practices.</p>
Pregnancy or maternity	<p>Employees on maternity / additional paternity and adoption leave have been kept informed of the consultation process and will continue to be consulted during the implementation phase if Council approves the proposed senior management restructure.</p> <p>Selection pools for various tiers of posts as well as assessment and selection methods for posts will not employ any criteria such as absence from work due to maternity, paternity or adoption leave.</p>
Ethnicity	<p>The current group of managers paid on Grade 14 and above is pre dominantly White/White British in terms of ethnic grouping with 91% of the group. Just under 6% of the group come from Asian/ Asian British, Black/Black British or dual heritage backgrounds whilst 3% of respondents preferred not to declare their ethnic origin.</p> <p>The above profile basically mirrors that of the whole Dudley MBC workforce which has very similar proportions of the groups detailed above. These two profiles can be compared with the ethnicity profile for Dudley's population as a whole where 10% of residents are from BME groups.</p> <p>Employees from some BME groups may possibly find it harder to find alternative posts outside of the Council should they find themselves made redundant as a result of senior management restructuring given that there is under representation of persons from BME backgrounds in the public sector workforce in many</p>

	<p>areas and this is especially true of senior management grades.</p> <p>Figures for the top 5% of earners in the Council (a larger group of 341 employees in comparison to those managers on grade 14 or above) show that 7% of BME employees are in the top earners compared with a figure of 5% for upper tier councils in the most recent national survey by the LGA for local government (based on 2012/13).</p>
Religion or belief	<p>Data limitations in terms of a relatively low number of employees wishing to declare their religion or belief render it difficult to arrive at any significant or reliable conclusions on this protected characteristic. The % figure for the group of managers paid on Grade 14 or above who did not respond or preferred not to disclose their religion or belief was 35%. This is lower than the 48% figure for the wider Council workforce.</p> <p>Selection methods employed in the restructuring process will not in any way seek to probe an individual's religious beliefs.</p>
Sex	<p>Males make up 53% of the current management group at grade 14 or higher with women at 47%. This contrasts with the wider workforce figures where women make up 66% of employees (excluding schools).</p> <p>On the basis of the above figures at a Council wide level there is a slightly greater risk of redundancy for male managers although this will vary within specific directorates (for example Children's services has a greater proportion of female managers than Urban Environment).</p> <p>The majority of managers tend to be full time employees and there are less part time workers in these grades. Where part time employees work in management grades they tend to be predominantly female which may present issues within the loss of posts as it is often simpler to identify the loss of a full time post rather than the loss of part time posts.</p> <p>Where a full time employee has expressed an interest in VR it may be difficult to bump part time employees to fill the potential vacancy as they may not be able to cover the required hours or</p>

	<p>achieve a suitable job share arrangement. Arrangements need to be put into place to explore the scope for a job share match across the Council to enable bumped arrangements to be considered as per a full time bump.</p> <p>Elected Members and Senior Managers with HR advice will need to carefully consider whether posts at various management levels can be job shared effectively against business requirements</p>
Sexual Orientation	<p>There is no reliable data available to draw conclusions on this protected characteristic. 70% of the management group paid on grade 14 or higher prefer not to disclose their sexual orientation.</p> <p>The Council's employment policies will continue to ensure that employees are not discriminated against on grounds of sexual orientation and that all procedures relating to selection pools, appointments, redundancy and redeployment are free from any such bias.</p>

Stage 1 – evidence gathering

Provide details of all information about the policy, service or decision which will help with the assessment. Use the headings below as reminders of what may be useful, although this not an exhaustive list.

Equality monitoring data:

What systems are in place to monitor current and future impact for each protected characteristic? What monitoring data is collected for each of the protected characteristics? Set out details of this data.

The Council's PSE system contains each employee's personal details from which aggregated reports can be produced to monitor various protected characteristics (except for gender change and sexual orientation where insufficient data is available). Employees are requested annually to check their data using a self service option within YourSelf on the system. The Council is able to generate employment profiles from this system and identify areas of under representation at various levels in the workforce including managerial grades. Data can also be made available for monitoring purposes on a directorate and division basis.

The Council experience of implementing major savings reductions in the past three years with consequent impact in terms in reducing staff numbers and data relating to applications for voluntary redundancy and subsequent approvals plus any compulsory redundancies is collected on the basis of the main protected characteristics. Some of this data is presented below where relevant.

Engagement and customer feedback:

All relevant employment policies and procedures that cover the restructuring of senior management have been developed in consultation with the recognised trade unions and professional associations representing the Council's workforce. These policies include managing employees at risk of redundancy, managing employees through a restructuring procedure, redundancy appeals, selection for redundancy procedure, bumped redundancies and redeployment.

The Managing Employees at Risk of Redundancy (MEARR) policy has been reviewed with the participation of trade unions in each of the previous two years and suitably amended to ensure that it is still fit for purpose. It is to be reviewed again in anticipation of more compulsory redundancies as the required budget savings significantly increase.

Informal consultation has been held with groupings of managers over the past few months by the independent consultant from WME on the need to create a new organisational structure within the context of achieving a significant level of savings. A number of managers have provided their views on future structure as part of this engagement with the employees likely to be directly affected by the restructure. Formal consultation will take place on the proposals if approved by Cabinet.

Barriers to access:

All employees at risk of compulsory redundancy are offered the same provisions such as access for 12 weeks to the redeployment register, trial placements if appropriate and access to redundancy bumping information so a possible alternative post(s) can be identified. Severance payments are made to employees with two years or more continuous service where the Council is unable to find a suitable and appropriate alternative post. LGPS regulations enable anyone aged 55 or over (with at least two years membership of the LGPS) to access their pension without any reduction where the employee has been made redundant.

Information about the borough e.g. Census data:

Not applicable

Background or comparative information:

Data has been gathered in relation to the workforce profile of the group of managers who are paid on grade 14 or above and this has been used where relevant in this equality impact assessment. Where relevant comparison has been made with the Council's whole workforce statistics using the Corporate Workforce Information Dataset 2013/14 (end of year report) provided by Human Resources and Organisational Development. Data also supplied by them relating to employees from recent budget reduction programmes has also been analysed.

What evidence is missing? What will be done to collect it?

Certain protected characteristics have missing data. This relates to religion/belief, transgender and sexual orientation where there are very low response rates or data is not recorded. The responses to any surveys including these characteristics are very much a matter of personal decision on the part of individual employees and privacy and confidentiality must be fully respected.

Provide details of the analysis completed on the information presented at stage 1 above, identify patterns or trends and compare with other authorities, national research, census data, etc.

Overall numbers:

The specific and immediate proposals around current Director and Assistant Director posts within the restructuring report cover 22 employees which represents 0.33% of the Council's workforce (excluding schools). The proposals on the restructuring will see the size of this group reduce by 50% to a figure of 11 new posts designated as Strategic Directors and Chief Officers.

The total number of managers who are potentially affected by the longer term proposals to also restructure 4TH tier management is 87 which represents 1.32 % of the Council's workforce (excluding schools). The intention is to achieve a reduction through further detailed proposals to a figure of around 71 posts.

Age:

1,488 employees (23% of the Council's non schools workforce) are aged 55 or over although there is a much higher percentage figure (44%) when those on management grades 14 and above are considered.

The age profile of those applying for voluntary redundancy in the 2013/14 budget savings round has seen a higher proportion of applications from employees aged 55 and above than the workforce as a whole. 73% of VR approvals in 2013/14 were for employees aged 55 and above and is most certainly a reflection of the ability of this age group to be able to access pension benefits. It is important that any VR decisions are taken on the basis of the business case for the redundancy and not on the basis of age.

Disability:

The 2013/14 budget savings process saw a slightly higher proportion of disabled employees applying for VR. 5.2% of employees with a disability applied for VR compared with the 3.2 % figure that employees with a disability are as a percentage of the total workforce.

The higher proportion of applicants from the disability group may well be related to age as 63% of the applicants were aged 55 and over with an ability to access pension.

9% of the current management group paid on grade 14 or higher has declared a disability and this may well reflect the older age profile of this group.

Religion

Again it is difficult to assess any potential adverse impacts on this group due to the fact that even in the wider staffing reduction programme in 2013/14 nearly 50% of VR applicants did not disclose their religion or belief. A non declaration figure of 35% was also recorded for employees considered at risk of redundancy. Given the smaller numbers of employees concerned with the proposed management restructure and the typical response rates for this protected employee characteristic it is not possible to estimate any adverse equality impacts.

Ethnicity

Overall BME groupings make up 9.0% of the Council's total workforce (excluding schools). The management profile on the issue of ethnicity is very similar to that of the total workforce with 91% coming from a White/White British background and very small numbers are involved in the management group to identify any specific adverse impacts.

On a wider scale the 2013/14 budget reduction programme saw a proportionally lower number of BME employees applying for VR (at 1.9%). The approval rate for VR applications was broadly comparable across the two broad groups (BME and White British) with a slightly higher % for BME applicants (at 14.3% of applicants) compared with White applicants (11.7%).

Gender

46 men are potentially directly affected by the senior management restructuring proposals with 41 female managers within the cohort paid on management grades 14 or above. These proportions may mask variances within specific directorates such as higher proportions of females in Children's Services compared

with a higher male presence in Urban Environment.

There was in the 2013/14 budget reduction programme a higher proportion of males receiving a "no" response for VR when those employed on SCP 34 or above are looked at. 89% of male applications were rejected compared with 76% of female applicants for VR. This would appear to be explained by the need to justify any decisions to release staff on business grounds and the need to retain staff especially in Children's and Adult Service areas

In the 2013/14 budget reduction programme concerned with the wider workforce there was slightly lower proportion of VR requests from females at 61.7% compared with that of the workforce at 64.6%. A greater proportion of male requests were declined basically on business case grounds and these tended to be in certain areas such as the Directorate of Urban Environment for example where there were four times the number of male applicants compared with female applicants.

To ensure that females are not indirectly discriminated against redundancy bumping the Council can take steps to actively look to find options for part time employees to redundancy bump a full time employee. The same considerations will also be given to any male employees although the only 20% of the Council's male work force is part time compared with 61% of female employees working part time.

Stage 3 - assess the impact

Does the policy or function/service have any potential adverse impacts on particular protected groups? If so explain what they are.

There is evidence to date on the implementation of redundancies among the Council's workforce that any differences impacting on protected groups are in effect marginal so that no evidence of adverse impact can be drawn in advance of any implementation of the restructuring programme on the smaller management group of 87 employees.

The Council will continue to be vigilant in the application of its employment policies and procedures to the senior management restructure that no form of direct or indirect discrimination takes place in the way employees are either appointed to posts, designated at risk of redundancy and associated redeployment procedures or treated in the case of how VR applications are considered.

All the new management posts included in the revised structure will be exposed to an equality proofed Job Evaluation process independently undertaken by WME to ensure that internal relativities objectively reflect new roles with appropriate salaries that also take account of regional and national public sector job markets to help ensure that the Council can appoint and retain talented managers who can offer high quality professional leadership within a challenging local government environment. The JNC evaluation scheme will be used as it is a nationally recognised, sector specific scheme.

The senior management restructuring programme will also involve the drawing up of new job descriptions and person specifications which will be made available to all those within the relevant selection pools with the opportunity to comment on draft versions through individual consultation meetings with the Chief Executive and a senior HR representative of West Midlands Employers.

All the available posts 2nd and 3rd tier posts will be made available on a common set of terms and conditions, and there will be common terms and conditions for all 4th tier posts. Due regard will be paid to Statutory guidance such as for Public Health.

Stage 4 - reasons for adverse impacts

Outline the reasons identified for adverse impacts

No adverse impacts have been identified.

Stage 5 - consider alternatives/mitigating actions

How will any adverse impacts identified be reduced or removed? Explain if it is decided that an adverse impact is unavoidable.

The Council will continue to offer employees who are at risk the opportunity to apply for VR and will consider applications on a business case basis. Opportunities for redundancy bumping will also be fully considered to try and support employees at risk. Employees concerned will, however, need to demonstrate an acceptable match to the relevant post(s) in order to ensure that the area of work or function is managed by a suitable employee.

The Council will continue to offer its current redundancy scheme. The Council will also continue to ask for expressions of interest in voluntary reductions in hours and flexible working and these will be considered on a business need basis and the circumstances of the employee concerned.

Redeployment Policy also offers a chance to try and maintain employment with the Council. The Council has extended the time allowed for all employees to be on the redeployment register with the ability to have redeployee status when their current post is declared "at risk of redundancy ". The redeployment policy prevents assimilation into a higher graded post and for this restructure where grades do not currently exist grade has been interpreted as salary.

A redeployee will have support in terms of help with his/her CV, assistance with identifying suitable job opportunities and preparation for interviews. The redeployee and any employee facing the risk of redundancy will also have the ability to access the Council's "Facing the Future" programme which offers support on a range of matters such as career planning, financial planning, life planning and training.

Any employees with a disability will be assisted through the application of reasonable adjustments in the appointment process whilst any employees on maternity, paternity or adoption leave as well as on long term sickness will be kept fully informed of vacancies and potential redeployment opportunities.

Employee counselling is available through Children's Services and is actively promoted to support any employee involved in the restructuring process. The "Facing the Future" programme also offers emotional support to employees at risk of redundancy.

The Council will continue to be vigilant in the application of its employment policies and procedures to the senior management restructure that no form of direct or indirect discrimination takes place.

Any decisions on appointment to posts will be made on the basis of the respective match of the applicant(s) to the person specification developed from the advertised job description and an interview by the Appointments Committee for 2nd and 3rd tier posts.

Stage 6 - test the changes

Detail how the mitigating actions to reduce or remove the adverse impacts were tested, piloted or consulted on and the results of this.

The above measures around redeployment and application of VR will be applied to try and minimise the need to make compulsory redundancies. Previous experience of the previous budgetary and staffing reductions across the wider workforce has seen significant numbers of employees at risk of compulsory redundancy redeployed thereby minimising any adverse impacts on protected groupings of employees. There are, however, greater levels of challenge with identifying suitable redeployment opportunities at the higher managerial grades where specialist knowledge and/or experience may be required.

Stage 7 – decision making

Did the test, pilot or further consultation illustrate that the mitigating actions will be effective? What decision is recommended about the policy or service and why? How will the decision maker be briefed on the EIA?

Previous experience of operating the relevant employment policies has kept compulsory redundancies to relatively low numbers (56 in 2011/12, 83 in 2012/13) 20 in 2013/14 in comparison with the Council's total workforce of over 6800 employees (excluding schools). Sensitive and effective management of redeployment and VR policies managed to alleviate any initial concerns that certain protected groups (BME and Disability) might be adversely affected.

The same considerations will apply to the operation of VR and redeployment policies within the implementation of senior management restructuring although it is likely that there will be a greater level of challenge in minimising adverse impacts due to the smaller number of posts involved with less opportunities to redeploy any displaced managers.

Stage 8 - monitoring arrangements

How will the equality impact of the policy or service be monitored in the future?

The restructuring process will monitor the impacts on specific groups where possible although there will be limitations on data reporting due to the risk of personal identification when dealing with relatively small cohorts at the more senior management grades.

Stage 9 – action planning

Provide details of actions or improvements identified during the EIA.

The Council will need to continue to fully apply its key employment policies on recruitment and selection, redundancy, redeployment etc. to ensure that the process of restructuring senior management has no adverse impact on protected groups.

Date completed: 18th June 2014

Signed by assessment leader officer: David Johnson (West Midlands Employers)

Signed by assistant director/ head of service:

John Pym

Date: 19.6.14

Salary Scale 2013

Grade	SCP	Salary
1	5	12,435.00
	6	12,614.00
2	7	12,915.00
	8	13,321.00
	9	13,725.00
3	10	14,013.00
	11	14,880.00
	12	15,189.00
	13	15,598.00
4	14	15,882.00
	15	16,215.00
	16	16,604.00
	17	16,998.00
5	18	17,333.00
	19	17,980.00
	20	18,638.00
	21	19,317.00
6	22	19,817.00
	23	20,400.00
	24	21,067.00
	25	21,734.00
7	26	22,443.00
	27	23,188.00
	28	23,945.00
	29	24,892.00
8	30	25,727.00
	31	26,539.00
	32	27,323.00
	33	28,127.00
9	34	28,922.00
	35	29,528.00
	36	30,311.00
	37	31,160.00
10	38	32,072.00
	39	33,128.00
	40	33,998.00
	41	34,894.00
11	42	35,784.00
	43	36,676.00
	44	37,578.00
	45	38,422.00
12	46	39,351.00
	47	40,254.00
	48	41,148.00
	49	42,032.00
13	50	42,808.00
	51	43,859.00

	52	44,909.00
	53	45,982.00
14	54	47,184.00
	55	48,248.00
	56	49,307.00
	57	50,358.00
15	58	52,233.00
	59	54,120.00
	60	56,009.00
	61	57,896.00

Chief Executive	157,000
Director	104,604
Assistant Director	70,049
Treasurer	88,700

The general public sector equality duty

The general public sector equality duty is set out in the Equality Act 2010 (the Act).

In summary, public authorities must, in the exercise of their functions, have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act,
- advance equality of opportunity between people who share a protected characteristic and those who do not., and
- foster good relations between people who share a protected characteristic and those who do not.

The Act explains that having due regard for advancing equality involves:

- removing or minimising disadvantages suffered by people due to their protected characteristics,
- taking steps to meet the needs of people from protected groups where these are different from the needs of other people, and
- encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

The Act states that meeting different needs involves taking steps to take account of disabled people's disabilities. It describes fostering good relations as tackling prejudice and promoting understanding between people from different groups. It states that compliance with the duty may involve treating some people more favourably than others.

Public authorities also need to have due regard to the need to eliminate unlawful discrimination against someone because of their marriage or civil partnership status. This means that the first arm of the duty applies to this characteristic but that the other arms (advancing equality and fostering good relations) do not apply.