



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>
<p>Religion or belief</p>	<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>
<p>Sex</p>	<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 Poyellis

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.