

Report to:	EXECUTIVE
Item number	2
Relevant Officer:	Neil Jack, Chief Executive
Relevant Cabinet Member:	Councillor Simon Blackburn, Leader of the Council
Date of Decision:	19 th May 2014

STAFFING AND ESTABLISHMENT REVIEW

1.0 Purpose of the report:

1.1 The purpose of this report is to review the staffing arrangements of the authority to take account of changes brought about by consultation on the proposed staffing savings for 2014/15 and 2015/2016 budget cycles. This includes issues relating to general changes to terms and conditions of employment and proposals for a revised senior management structure for the Council designed to deliver savings in year.

2.0 Recommendation(s):

2.1 To agree that consultation continues regarding staff terms and conditions changes to mitigate the number of redundancies in the Council during 2014/2015 and 2015/2016 and to ensure that the required staffing savings are achieved by appropriate means.

2.2 To agree the principles of the management review and agree the anticipated consequential savings identified be achieved.

2.3 To recommend Council that the £1.6 million savings identified in the approved Revenue Budget for an increment freeze for staff for 2014/15, be replaced by the proposals set out in the report at paragraphs 5.1 and 5.4.

3.0 Reasons for recommendation(s):

3.1 Staffing savings were identified in the budget for 2014/2015 which must be achieved in year. The recommendations in this report are designed to ensure that these savings targets are achieved and that services are protected as far as possible by being ordered in sensible groupings to achieve outcomes and targets.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? **No**

3.2b Is the recommendation in accordance with the Council's approved budget? **No**
However, this report seeks the necessary approval for changes to the budget.

3.3 Other alternative options to be considered:

The proposals to achieve budget savings with regards to changing staff terms and conditions have been the subject of extensive consultation throughout the budget cycle process and a number of alternatives have been put forward and considered. The Chief Executive was given delegated powers at the Budget Council meeting to deliver the staffing savings and has been doing that through ongoing consultation. As part of the consultation process, it is proposed that the method of achieving the savings is amended to take account of the latest consultation process and legal advice and so the paper is in itself presenting an alternative to the original proposals.

With regards to the restructure of managerial arrangements, the proposals within this report have been the subject of consultation at senior levels of the organisation and will be subject to further and more detailed consultation with those affected. It is proposed therefore that the principles outlined are agreed by the Executive, subject to more detailed dialogue with staff affected by the changes and their Trade Union representatives.

4.0 Council Priority:

4.1 The relevant Council Priority is:

- Deliver quality services through a professional, well-rewarded and motivated workforce

5.0 Background Information

5.1 Terms and Conditions Matters

The Chief Executive, as the Council's Head of Paid Service, was mandated to reduce the numbers of redundancies across the Council by taking necessary steps to ensure that savings were made through staff terms and conditions changes as part of the budget process. It was assumed at that time that staff terms and conditions were to be amended for a period of 24 months. The proposals were that staff would take 5 days' unpaid leave per year and would be subject to an increment freeze. In order to

achieve these budget savings it was recommended that delegated authority was given to the Chief Executive, working with the Council's Chief Officers to take all necessary steps to ensure that such savings can be realised.

As part of the consultation on unpaid leave it was agreed that in partnership with the Trades Unions, the Council would encourage all staff to voluntarily accept unpaid leave at varying levels to achieve the same overall saving over the two year period. Through this method the required levels of saving have now been achieved and this matter is resolved.

As part of the consultation on the increment freeze however, it has been made clear that the Trades Unions will not enter into a collective agreement on this matter as they had in a previous year and that challenges will be made to such a decision on the basis of equality, as the increment freeze by its nature does not affect all staff universally.

To move away from this proposal presents a significant challenge as the budget savings that would be delivered by an increment freeze are substantial at £1.6 million each year. To re-open redundancy consultation to achieve a saving of £1.6 million at this stage would be very difficult for services and for staff and therefore consultation has moved to discussions aimed at implementing a pay freeze across all employee groups in its stead. This will leave £600,000 which will be met based on the proposals set out at paragraph 5.4 of this report.

Establishment Review

5.2 An opportunity has arisen to review the senior management structure of the Council following the secondment of a Chief Officer of the Council to Blackpool Coastal Housing Ltd. The objectives of this review were to:

- Reduce further the overall costs of the leadership structure to the organisation to achieve significant further savings.
- Ensure that the leadership structure will meet the current and medium term needs of the organisation and remains focused on the priorities of the elected administration.
- Ensure that the structure includes sensible groupings of activities which supports cross departmental working and avoids duplication of effort.

Initial consultation at a strategic level has taken place and the report provides a position statement with regard to the principles that will inform the proposed changes and the costs and savings associated with it, as well as the alignment of services with Chief Officers.

A separate report is to be considered by the Chief Officers' Employment Committee, in connection with the Council's Chief Officer posts and the designations of those posts.

Context for the Review

- 5.3 Blackpool Council, like much of the public sector, continues to face huge financial challenges and the Council recognises that its organisational structure needs to be fit for purpose and reviewed regularly.

The Council is committed to ensuring that front line services are protected as far as possible throughout these difficult times and that includes looking for senior management to lead the way in terms of responding to increased budget pressures. The Chief Executive has reviewed the departmental arrangements to achieve further savings whilst maintaining a structure that will be able to deliver effective services.

Proposed Changes to the Council's Structure

The Built Environment Department is proposed to be deleted from the establishment and the post of Assistant Chief Executive for that area will be deleted.

The Assistant Chief Executive responsible for Leisure and Operational Services will become the Chief Officer with primary responsibility for delivering universal services to residents of Blackpool. As well as existing services the post holder will be responsible for delivery of the following additional services: Highways and Transportation, Public Protection, Environmental Protection, Environmental Waste, Street Cleansing, Community Parks and Grounds Maintenance and Illuminations delivery.

The Assistant Chief Executive responsible for Regeneration, Tourism and Culture will become the Primary Chief Officer with responsibility for providing strategic direction for Blackpool in terms of 'place'. The post holder will take responsibility for providing direction and plans that will continue the revitalisation of Blackpool as a great place to live, work and visit. As well as current responsibilities the post holder will also become responsible for Strategic Housing, highways and transport policy, car parking, community safety and beach patrol.

The Library Service will transfer to the Assistant Chief Executive responsible for Treasurer Services as this will reinforce the work already underway with the customer service centre to ensure the library service continues to develop as a community access points that deal with a wide range of services to the public.

The Deputy Chief Executive, who is responsible for Community Engagement, will become responsible for the community engagement work that is currently undertaken by a small number of officers that were in the Built Environment Department.

The Head of Democratic Services will become responsible for Licensing services and the administration of the cemeteries and crematorium to support the current services already delivered by that department.

It is proposed that management arrangements within the Children's and Adults Services departments remain unchanged.

There will be ongoing consultation with the Trades Unions and the staff affected by these proposals as the nature of the re-organisation does affect all levels of the Council. Some minor amendments may be made as a result of these consultations but the principles outlined above about making a clear distinction between delivery, strategy, customer contact and community engagement will be maintained.

5.4 **Budget Implications**

It is anticipated that this proposal will save an additional £150,000 in the year 2014/2015. This will go some way to meet the shortfall identified by not progressing the increment freeze proposal and instead implementing a pay freeze.

Further procurement savings have been identified by the Corporate Leadership Team to meet the remaining £450,000. However, these contracts are not yet finalised. When they have reached that stage, a report will be submitted to the Executive.

Does the information submitted include any exempt information?

No

5.5 **List of Appendices:**

None

6.0 **Legal considerations:**

6.1 Consultation on changes to terms and conditions has taken place with Trades Unions and employees since November 2013 and is still ongoing. Such matters are complex and all legal due process has been followed as part of the consultation process to date and will be followed based on firm legal advice through the implementation phase.

6.2 As part of the restructuring arrangements legal due process for consultation on such matters will be followed.

7.0 Human Resources considerations:

7.1 Due process has been applied and the Council's Human Resources policies have been adhered to with regards to these issues.

8.0 Equalities considerations:

8.1 The impact of changes to terms and conditions has been considered from an equalities perspective and it is this detailed consideration in consultation with the Trades Unions that has led to the proposals before the Executive.

8.2 The changes to the structure of the organisation do not have an impact on the composition of the workforce or in any other way impact upon equality considerations.

9.0 Financial considerations:

9.1 These proposals are an important part of the delivery of the budget for 2014/2015 and 2015/2016.

10.0 Risk management considerations:

10.1 The risk area associated with these new proposals is the loss of talented staff to organisations that are not impacting on staff terms and conditions and the impact of reduced management capacity on the achievement of objectives. The Chief Executive is satisfied that careful consideration of aligning priorities and resources will mitigate capacity concerns.

11.0 Internal/ External Consultation undertaken:

11.1 Consultation with the Trades Unions and the staff on the terms and conditions matters has been ongoing since November 2013 and continues as part of normal business.

11.2 Consultation on the revised structure has commenced and will continue throughout May.

12.0 Background papers:

12.1 None

ONLY APPLICABLE FOR REPORTS WHICH WILL EVENTUALLY BE CONSIDERED BY THE EXECUTIVE/ CABINET MEMBER

13.0 Key decision information:

13.1 Is this a key decision? Yes

13.2 If so, Forward Plan reference number: 9/2014

13.3 If a key decision, is the decision required in less than five days? No

13.4 If **yes**, please describe the reason for urgency:

14.0 Call-in information:

14.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

14.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC SERVICES

15.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

16.0 Declarations of interest (if applicable):

16.1

17.0 Executive decision:

17.1

17.2 Date of Decision:

18.0 Reason(s) for decision:

18.1 Date Decision published:

19.0 Executive Members in attendance:

19.1

20.0 Call-in:

20.1

21.0 Notes:

21.1