

EMPLOYMENT COMMITTEE	AGENDA ITEM No. 3
16 JUNE 2017	PUBLIC REPORT

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SHARED MANAGEMENT PROPOSALS

R E C O M M E N D A T I O N S	
FROM : Chief Executive	
<ol style="list-style-type: none"> 1. That Employment Committee consider the feedback to the Shared Management Proposals following a period of consultation with affected staff; 2. That Employment Committee recommend any appropriate actions in response to the proposals prior to implementation by the Chief Executive under her delegated powers; 3. That Employment Committee approve the recommendation to make permanent the current interim arrangement of shared Executive Director for both Councils; 4. That Employment Committee consider proposed job descriptions for approval, making any necessary proposals for changes and delegating authority to finally approve the job descriptions to the Chief Executive in consultation with the Chairman of Employment Committee. 	

1 PURPOSE AND REASON FOR REPORT

- 1.1 The purpose of this report is to inform Employment Committee of the proposals for Shared Management arrangements across Peterborough and Cambridgeshire for Senior Managers within: Children's Services; Adult Services; Education; Community and Safety; and Commissioning, as well as the outcomes of consultation held in respect of these proposals. The Chief Executive has the delegation at 3.13.2(g) of officer delegations to approve these proposals subject to Employment Committee's delegation at 2.3.1.5 of its terms of reference to consider and recommend actions where necessary in respect of these proposals.
- 1.2 The report also provides Employment Committee with the opportunity to ensure that all roles, which have been newly created within these proposals, have job descriptions which accurately reflect the work undertaken and the standards expected of the post holder. The report is for the Committee to consider under its delegation 2.3.1.1 to appoint Directors and Heads of Service, and determine terms and conditions of employment.

2 TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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3 BACKGROUND

- 3.1 Attached at Appendix 1 is the consultation document which was published on 3 April 2017 and outlines the underlying principles considered; the rationale and benefits of sharing management posts not only for the Councils concerned and their partners but more importantly, to the communities each Council serves.
- 3.2 The proposals follow on from the temporary appointment of the Corporate Director People and Communities to the temporary joint role of Corporate Director People and Communities

within Peterborough City Council (PCC) and Executive Director of Children, Family and Adult Services with Cambridgeshire County Council (CCC). A request was made, at the time, for consideration to be given as to whether the temporary shared role was sustainable as a permanent arrangement and also whether there were further opportunities to consider additional senior management sharing arrangements for the functions.

- 3.3 Sharing management or services is not an end in itself, but one of a number of means by which Councils can achieve their strategic ambitions.

4 PROPOSAL

- 4.1 In essence, the proposals seek to achieve the following:-

- To help facilitate wider public service reform in social care, education and community and safety and help evidence strong officer leadership.
- Combine the expertise of both councils to bring wider solutions to the same demand and resource challenges.
- Provide one joint voice for key partners and removing significant duplication currently existing with dual ownership, practical work and attendance at meetings.
- Joining up commissioning of services to increase purchasing leverage, achieve best value for financial resources available, and development of a more commercial approach.
- Creating career development opportunities for officers working across both councils, learning from each other's best practice and innovation directly and offering wider experiences. This will in turn support risk of retention and recruitment in a very limited employment market.
- Provide more time, expertise and energy to focus on the transformation required within the service to meet the challenge of increased demand and scarcity of resources.
- Better use of existing expertise, providing access to a wider resource and increased resilience to cover turnover of key posts.
- Financial efficiencies through sharing of leadership costs and resources.
- A "one stop shop" with softer boundaries that will greatly benefit border areas and prevent people from 'being bounced from pillar to post'.
- Both Councils would of course retain sovereignty under these arrangements.

5 CONSULTATION AND ASSURANCE

- 5.1 Before the consultation document was published, directly affected staff were met on a one to one basis by the shared Director and provided with the consultation document. They were also offered and attended a formal consultation meeting with the shared Director and written comments were invited. Wider communication to staff in the People and Communities Directorate was provided so that they were aware of the proposals. The Trade Unions have equally been consulted with feedback sought.
- 5.2 The proposal has been reviewed independently by the Chair of the Adult and Children's Safeguarding Board, Dr Russell Wate, to assure that the sharing of the leadership, particularly of Children's and Adult Social Care, is secure and the proposal is achievable. It reviews the risks, benefits and mitigations to the proposal with regard to the new Service Director roles and how the delivery of services in these individual areas may be affected. The review is included in Appendix 1 of the consultation document.
- 5.3 The consultation process has not highlighted any significant risks. Therefore it is the firm belief that this new structure will provide a more robust and effective management structure which reduces duplication and increases leadership and strategic management capacity.
- 5.4 The proposals have been developed with both Councils' interests in mind and the recommended structure has been informally outlined with both Council leaders; Cabinet Policy Forum (PCC); Group Leaders (PCC & CCC); the Children's & Adults Committees in CCC and individual portfolio holders all of whom are supportive of the proposals.

6 PROGRESS

- 6.1 The first stage of the consultation process was to consult with staff. The consultation commenced on 3rd April and the consultation period closed on 12th May.
- 6.2 Consultation on the proposed structure and the proposed appointments process has taken place with potentially affected staff and Trades Unions in accordance with the Council's policy and procedures.

7. CONSULTATION FEEDBACK - SUMMARY

- 7.1 All nine Service Directors across PCC and CCC affected by the proposals to create shared service director roles for education, children and safeguarding, adult services, communities and commissioning across PCC and CCC have been consulted with. They also discussed the proposals with their direct reports. Partners such as Police and Health were also consulted. All those consulted with agreed that the principles, as noted above, would be achieved by the proposal for a joint senior management structure.
- 7.2 Service Directors felt excited by the proposals and believe that developing shared approaches across local authorities is the only way to maintain service delivery as resources reduce, and that there are a number of ways in which PCC and CCC can innovate by developing further devolution powers and/or new models of delivery for people facing services. Partners such as Health and the Police, supported this view, stating that the sharing of the Directors role since October, had enabled decisions to be made quicker, increased joint planning and delivery and for them, resulted in a decrease in the amount of meetings they needed to attend.
- 7.3 Service Directors have said that if the proposals are agreed, they think that they would want to review the structure of the services they would be responsible for in 6 – 12 months as they think there may be further efficiencies and opportunities.
- 7.4 Service Directors have suggested some proposed changes to job descriptions. Most changes are minimal, although in the adult area this includes reducing the number of direct services managed by the Assistant Director. This directly reflects Cambridgeshire's role in delivering the Learning Disability Service for both CCC and Health, which is different in Peterborough. In effect, the proposal to change the structure and job description in Adults provides an appropriate number of direct reports to senior managers.
- 7.5 Service Directors propose that the current 'deputy' responsibilities to the Corporate Director/Executive Director remain once the new structure is in place.
- 7.6 It has been suggested that the Adult Service Director role should assume the Statutory Director of Adult Services role as is common in many councils across the country. It is a sensible suggestion as current practice in both authorities is that the existing adult service directors already attend all the ADASS events, not the Director.
- 7.7 All Service Directors commented on the opportunities for greater efficiencies and the benefit of being structured in a similar way to key partners such as Police & Health. They are mindful of the need to ensure local needs are responded to appropriately and do see this arrangement being underpinned by a needs led approach to service delivery and in line with the political direction given to them from both councils.
- 7.8 PCC Unions attended the consultation meeting, understood the rationale for the proposals and did not raise any concerns during the consultation process.
- 7.9 Feedback was also received from CCC Unison which focused around the perception of increased headcount within CCC's structure; the rationale for maintaining CCC's current interim for Children's Services until later in the year and the adequate sharing of senior

management time to meet each authority's priorities. All questions were responded to using the rationale set out within the consultation paper which satisfied their queries.

8. RESPONSE TO FEEDBACK

8.1 Eleven written responses were received as well as verbal feedback from Service Directors, their direct reports and partner agencies. As a result, the Chief Executive has decided to put forward the proposals set out in paragraph 8.2 for this committee to recommend appropriate actions.

8.2 As there was considerable support for the new senior management restructure internally and externally, the Chief Executive proposes that the proposals remain unchanged apart from the following;

- Minor changes to the majority of the job descriptions and the structure amendment within Adult Services (affecting CCC) will be modified in response to the feedback received.
- Separate consideration will be given to whether the Service Director, Adults should hold the Statutory Director of Adult Services responsibilities and if so, due process will be followed.
- Maintaining a deputy role within the structure in each organisation will be considered at, or following appointment.

9. RISKS AND ASSURANCE

9.1 The risks associated with this proposal have been considered throughout the process. As part of this a Test of Assurance was carried out in December 2016 by Dr Russell Wate and is attached to the consultation paper. This Test sets out the risks and the mitigation recommended, and gives full assurance that the proposal has the necessary strengths and supports in place.

9.2 Risk analysis has been carried out and a risk register has been completed. The main risks to highlight are set out below:

	Risk	Response and Mitigation
A	The breadth and scale of responsibility for the new Service Director posts is too great to be sustainable.	<p>Detailed Job Descriptions have been prepared and a robust recruitment process will be undertaken to make sure that those who are selected are clear about the scale of the role, and can demonstrate the skills and resilience required to manage the competing demands.</p> <p>There are already three senior officers operating across the two authorities; the Chief Executive, the Director of Public Health and the Interim Executive Director for CFA. All are successful arrangements and their experience can be utilised to appropriately support and induct the new Service Directors in the early days and also ongoing support through normal management process will be given.</p> <p>Should the arrangement not work in the long term consideration would have to be given to making amendments to the structure, in discussion with Committees.</p>
B	Conflict arising from the management of two different types of governance	Support and induction will be provided to the successful candidates to ensure that they fully understand the governance arrangements of both

	arrangements.	<p>organisations at the outset.</p> <p>The experience of the three officers referred to above has demonstrated that this is achievable and manageable.</p>
C	Predicted financial savings are not realised.	<p>Detailed work has been done with the Finance Team to make sure that the financial predictions are accurate and achievable.</p> <p>Significant parts of the savings target have already been met by linked consultations across Children's Services and the Commissioning functions and associated savings have already been realised.</p>
D	The new structure does not deliver the level of integration anticipated.	<p>The Executive Director, in conjunction with the Chief Executive will be monitoring the impact of the changes, and the benefits realised. It has been acknowledged that opportunities for greater integration will be identified and realised over time as the new roles embed. If further changes are required these can be implemented to facilitate greater integration and benefits.</p> <p>The consultation process has not highlighted any risks and from a management point of view it is the firm belief that this new structure will provide a more robust and effective management structure which reduces duplication and leads to future savings but critically increases leadership and strategic management capacity.</p>
E	The proposals are not sufficiently robust to provide adequate safeguards to users of the service.	<p>Careful consideration has been given to this and an independent review has been carried out by Dr Russell Wate as referred to in 4.1 above which has provided assurance regarding this risk.</p> <p>In addition no concerns have emerged through the consultation process on this point. All officers concerned are confident that the proposed structure will provide robust strategic leadership and operational management across both authorities.</p>
F	Loss of current and highly experienced staff.	<p>All existing Directors have expressed their support for the proposals and the view that the new structure will offer enhanced development and career opportunities for them, with an improved career pathway and succession planning route.</p> <p>If the new arrangements do not go forward there is a risk that some may seek other opportunities for growth and promotion outside of CCC and PCC.</p> <p>PCC and CCC have a group of talented and experienced Directors whose knowledge and skills could be lost to the Councils. Furthermore, these are particularly difficult roles to fill. This is a challenging job market and recent experience has demonstrated how hard it is to attract the right people at this level.</p>

G	Committee do not reach agreement over one or more candidates for appointment.	Consideration was given to this during the Committee discussions on process and it was agreed that should this happen the Committee will jointly agree next steps to be adopted.
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10. IMPLICATIONS FOR SENIOR MANAGERS

All the proposals are shown in the structure charts included in the consultation document at Appendix 1. The implications for managers are summarised in the tables in the appended document at section 7 - *Employee Implications*.

11. ALTERNATIVE OPTIONS CONSIDERED

The structures could have remained the same. However, the proposals in this report are being made in order to provide the most appropriate response to the financial and operational challenges being experienced by the service.

12. IMPLICATIONS

- a) Legal - the Chief Executive, as the Head of the Paid Service, has a duty under the section 4 of the Local Government and House Act 1989 to determine the staffing arrangements necessary to deliver the Council's functions. The Head of the Paid Service has prepared this report to the Employment Committee setting out the staffing structure. The role of the Employment Committee is to consider these proposals having regard to the reasons for the proposals. The Employment Committee is therefore asked to make any appropriate recommendations.
- b) Once the proposals have been considered by this Committee, the Chief Executive will begin a recruitment process to new posts. That process will culminate in a further report at which point the Committee may exercise its responsibilities under the Local Authorities (Standing Orders) (England) Regulations 2001 for appointing to these posts. This process will be as set out and agreed by this Committee on 23rd March 2017.
- c) Financial - If the proposals are accepted, the interim arrangement for the shared Director will be made permanent and the 50:50 funding arrangement will continue between CCC and PCC. The 50:50 arrangement will also apply to the shared Service Director roles. Within Peterborough, the proposal is anticipated to generate a saving of £200k.
- d) Human Resources - The review has been conducted in accordance with Council policies and relevant Employment legislation. Impacts on individuals (including any redundancy dismissals) will be managed in line with Council policies, relevant legislation and approved discretions under the [Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and the Local Government Pension Scheme Regulations 2013].

13. BACKGROUND DOCUMENTS

None

14. APPENDICES

- Appendix 1: Consultation Document
- Appendix 2: Service Director Job Descriptions