

Lancashire County Council

Urgency Committee of the Full Council

Thursday, 9th October, 2014 in Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston. The meeting will commence at 3.00pm or on the rising of the Cabinet meeting whichever is the later.

Agenda

Part 1 (Open to Press and Public)

No.	Item
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1.	Apologies
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2.	Minutes of Previous Meeting	(Pages 1 - 2)
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The Committee is asked to confirm the Minutes of the meeting held on 29 April 2014 as a true and correct record.

3.	Disclosure of Pecuniary and Non-Interests
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Members are asked to consider any Pecuniary and Non-Pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.

4.	Proposed New Employee Structure for Lancashire County Council	(Pages 3 - 48)
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5.	Urgent Business
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An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading.

I Young
County Secretary and Solicitor

County Hall
Preston

Agenda Item 2

Lancashire County Council Urgency Committee of the Full Council

**Minutes of the Meeting held on Tuesday, 29th April, 2014 at 11.45 am in
Cabinet Room 'C' - The Duke of Lancaster Room, County Hall, Preston**

Present:

County Councillor Jennifer Mein (Chair)

County Councillors

A Atkinson	D Howarth
D Borrow	R Newman-Thompson
D Clifford	D O'Toole
G Driver	Mrs L Oades
G Gooch	M Perks
S Holgate	S Serridge

County Councillors S Charles, C Dereli, M Green and B Winlow were replaced at this meeting by County Councillors M Perks, D Clifford, G Gooch and D Howarth respectively.

1. Apologies

None.

2. Disclosure of Pecuniary and Non-Interests

None.

3. Minutes of the meeting held on 5 August 2013

The Committee received the minutes of the meeting held on 5 August 2013.

A view was expressed that the minutes did not reflect the discussions on the amendment that was voted upon in relation to the 'Procurement of Fleet Services – Independent Review'.

It was moved and seconded that minutes of the meeting held on 5 August 2013 be confirmed as a true and accurate record. Upon be put to the vote it was:

Resolved: That the minutes of the meeting held on 5 August 2013 be confirmed as a true and correct record and be signed by the Chair.

4. Urgent Business

None.

5. Date of Next Meeting

It was noted that the date of the next meeting would be confirmed in due course.

6. Exclusion of Press and Public

Resolved: That the press and members of the public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the paragraph of Part 1 of schedule 12A to the Local Government Act, 1972, indicated against the heading to the item. It was considered that in all the circumstances the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

7. Application for Voluntary Redundancy

The Committee considered a report and recommendations of the Employment Committee from its meeting held earlier in the day relating to an application for voluntary redundancy submitted by the current County Secretary and Solicitor, Ian Fisher.

It was reported that the Employment Committee had approved the application for voluntary redundancy, effective from 31 July 2014, and also agreed that the current Deputy County Secretary and Solicitor, Ian Young, be redeployed into the post of County Secretary and Solicitor on the basis of a revised role and grade, with effect from 1 August 2014, and that he be appointed as Monitoring Officer, effective from the same date. The role of Deputy County Secretary and Solicitor would also then be dis-established, effectively "bumping" the redundancy and achieving cost savings.

The Committee noted that the proposals both to dismiss and appoint the Council's Monitoring Officer required the approval of Full Council or the Urgency Committee acting on its behalf. Legislation reflected in the Employment Committee's terms of reference also required that the no notice of dismissal or offer of appointment could be made until the proposed action had been notified to every member of the Cabinet to provide them with the opportunity to object to the proposals.

Resolved: That, subject to no objection to the proposals being made to the Leader by any member of the cabinet,

- i. the dismissal of the County Secretary and Solicitor, Ian Fisher, on the basis of voluntary redundancy with effect from 31 July 2014 be approved.
- ii. the appointment of the Deputy County Secretary and Solicitor, Ian Young, as County Secretary and Solicitor, and Monitoring Officer on the basis of the roles and responsibilities, set out in Appendix A, with effect from 1 August 2014 be approved.

County Hall
Preston

I M Fisher
County Secretary and Solicitor

Urgency Committee

Meeting to be held on 9 October 2014

Electoral Division affected: All

Proposed New Employee Structure for Lancashire Council

(Annex 1 and Appendices 'A' to 'D' refer)

Contact for further information:

Chris Mather, 01772 533559, Office of the Chief Executive,

Chris.mather@lancashire.gov.uk

Executive Summary and Recommendation

The Committee is asked to consider the Cabinet's recommendations in relation to the proposed new employee structure for Lancashire County Council.

Background and Advice

The Cabinet at its meeting on 9 October 2014 will consider a report on the proposed new employee structure for Lancashire County Council. A copy of the report is attached at Annex 1.

If the Council's proposed new structure is approved, the Cabinet will need to recommend the Urgency Committee to approve a number of matters relating to the Employment Committee and the appointments process.

The Cabinet's recommendations in relation to the proposed new employee structure for Lancashire County Council will be reported orally at the meeting.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

As set out in Annex 1

Local Government (Access to Information) Act 1985
List of Background Papers

Paper	Date	Contact/Directorate/Tel
Cabinet report	9 October 2014	Chris Mather, OCE 01772 533559
Reason for inclusion in Part II, if appropriate		
N/A		

Cabinet - 9 October 2014

Report of the Chief Executive

Electoral Division affected: All

Proposed New Employee Structure for Lancashire County Council
 (Appendices 'A', 'B', 'C' and 'D' refer)

Contact for further information:

Jo Turton, (01772) 536260, Office of the Chief Executive,
jo.turton@lancashire.gov.uk

Executive Summary

It is well known that the County Council faces a huge financial challenge. The impact of cuts in central government funding means that the County Council must save £300 million from our revenue budget by April 2017.

As an organisation, if we are going to save £300 million from our revenue budget, then we cannot stay as we are. The loss of this significant level of funding cannot be achieved within the County Council's current operational structure. In order to deliver £300 million of revenue savings, it will be necessary to change and reshape the County Council and in doing so ensure that the inevitably smaller organisation will be fit for the future and continue to work for the people and communities of Lancashire.

The Council will be a much smaller organisation and whilst the scale of the financial reduction presents a significant challenge to the Council, at the same time it represents an opportunity to fundamentally re-design the Council's operating model. The purpose of this will be to ensure that the new organisation is not just smaller, but one which is: more joined up; flexible; focused on the needs of our customers recognising that they will change over time; and able to maximise the impact of the available funding so that it will deliver the things that matter to the people of Lancashire within the Council's much smaller revenue budget.

Both the design of the Council's new structure and the process by which appointments are made to it have been considered by the Management Team at length. In designing the new structure Management Team recognised from the outset that the process should take place over a two year period in two phases, the first phase of recruitment being for the Council's senior management structure for Grade 11 and above, with the intention that this will be in place by April 2015. Once these positions are appointed to, the structure for grade 10 and below would then follow and this second phase will be completed by April 2016.

A key objective underpinning the proposed principles for appointment to the new organisation for all staff at all grades is to adopt as open a recruitment process as is practically possible to ensure that the best person is appointed for each job, balanced against the need to maintain Council services and employees' interests.

Both the principles for recruiting to the new structure and the structure itself have been the subject of extensive consultation with employees and trade unions. The proposals now recommended to Cabinet take fully into account all responses to the consultation and represent Management Team's considered view on both the design of the new structure and the guiding principles for recruiting to the new posts.

The proposals for the new structure which are identified in the body of the report, include the establishment of a new Employee Welfare Team to strengthen the Council's capacity to support employees and managers. It is recommended that these appointments are made as soon as possible, in advance of the recruitment timetable, to provide any support needed by employees and managers in connection with the transformation process itself.

This report therefore sets out for approval:

- The proposed new structure for the Council for posts at or above Grade 11;
- The principles upon which it is proposed appointments to the new structure will be made; and
- Governance issues relating to the proposed recruitment process.

If agreed, the proposed new structure for the Council for posts at or above Grade 11 will result in a reduction of 157 (28%) in the number of posts in scope at this stage of the reorganisation within the leadership and management structure of the Council. This will result in annual savings of £11.4m, reducing our net cost of posts within this grade range by 38%.

This is deemed to be a Key Decision and the provisions of Standing Order 26 have been complied with.

Recommendation

Cabinet is recommended to:

- (i) Note the contents of this report;
- (ii) Approve the proposed new structure for the County Council for posts at, or above, Grade 11 set out at Appendix 'A' to this report;
- (iii) Approve the principles for making appointments to the new County Council structure for all posts, including those at, and below, Grade 10, set out at Appendix 'B' to this report;
- (iv) Agree to the establishment of an Employee Welfare function, comprising one post at Grade 11 and three posts at Grade 10, with immediate effect, appointments to be made as soon as possible to support the transformation process;
- (v) Recommend the Urgency Committee to agree:

- (1) that, for the purposes of the Transformation process only, and subject to statutory requirements, the Employment Committee be responsible for appointments to the posts of:
 - (a) Corporate Director Commissioning and Deputy Chief Executive;
 - (b) Corporate Director Operations and Delivery;
 - (c) Director of Development and Corporate Services;
 - (d) Director of Adult Services;
 - (e) Director of Children's Services;
 - (f) subject to applications being received from staff holding an appropriate professional qualification allowing them to also be appointed as the Council's Monitoring Officer or S.151 Officer, the Director of Governance, Finance and Public Services; and
 - (g) Subject to the appointment of the Monitoring Officer or S.151 Officer at (f) above, the Director of Financial Resources and/or the Director of Legal and Democratic Services, the successful applicant being appointed as the Monitoring Officer or S.151 Officer;
- (2) that all other appointments be delegated to the Head of the Paid Service;
- (3) that all appointments be made in accordance with the principles referred to in paragraph (iii) above and that the role of the Employment Committee in future appointments to senior posts then be reviewed;
- (4) that all appointments to the Council's structure at all grades, including Director grades and above, will be made on the basis of Lancashire County Council Terms and Conditions of Employment, and that this principle also be applied to the Chief Executive on the basis set out in the report;
- (5) that a Chief Officer Car Leasing Scheme be implemented based on the same entitlements/costs as at present, the details of the Scheme to be finalised and approved by the Chief Executive;
- (6) to approve the Appeals Procedure set out at Appendix 'C' to this report.

Background and Advice

1. Introduction: The challenge

The County Council faces a huge financial challenge. The impact of cuts in central government funding means that the Council must save £300 million from our revenue budget by April 2017.

The loss of this significant level of funding cannot be achieved within the County Council's current operational structures. In order to deliver £300million of revenue savings, it will be necessary to change and reshape the County Council in order to ensure that the inevitably smaller organisation will be fit for the future and continue to work for the people and communities of Lancashire.

Whilst the scale of these changes is a significant challenge to the Council, at the same time it presents an opportunity to fundamentally re-design the Council's operating model. The purpose of this will be to ensure that the new organisation is not just smaller, but one which is more joined up, flexible, focused on the needs of our customers recognising that they will change over time and able to maximise the impact of the available funding so that it will deliver the things that matter to the people of Lancashire within the Council's much smaller revenue budget.

2. Meeting the challenge: The new Council structure

The requirement to save £300million from the Council's revenue budget by 2017-2018 means it is necessary to reshape the Council and in doing so reducing the size and cost of the workforce.

It is important to acknowledge that the significant financial challenges we face are not the sole driver for reshaping the organisation. This process is intended to see existing structures and ways of working succeeded by arrangements that are truly fit for the future, leaving the Council better placed to take advantage of new opportunities that deliver the things that matter to people across Lancashire.

The Council's proposed new employee structure will be implemented in two phases:

- A new structure for posts at or above Grade 11 (or equivalent salaries on other pay scales) will be agreed and appointed to by 1 April 2015;
- Followed by a new structure for posts at or below Grade 10 (or equivalent salaries on other pay scales) will be agreed and appointed to by 1 April 2016.

The completion of these two phases of the process will take us to April 2016 and is described as the Stage One process.

The proposed new structure for posts at Grade 11 and above is shown at Appendix 'A' to this report.

A number of design principles have been central to determining how the structure looks. It is intended to provide the foundation for a new strategic focus, placing prosperity, health and wellbeing at the heart of all that we do. Delivering economic growth, looking after the most vulnerable members of our communities and demonstrating a commitment to fairness in how the Council's resources are distributed are key themes embedded in the structure's design.

There are no directorates in the new structure as the limited resources available mean that the costs that are built into maintaining the current directorate structure cannot be justified. The directorate structure has also in the past encouraged silo thinking and working, which is inefficient and too often puts the focus on the council's internal boundaries rather than the needs of our customers. The new structure has clear lines of responsibility and accountability, and is intended to encourage a shared sense of purpose across the whole organisation. At this stage, it is appropriate to highlight three key building blocks of the proposed new structure:

Commissioning

There will be a single Corporate Commissioning function, rather than the separate commissioning functions that currently sit within directorates. This will be at the heart of delivering the Council's priorities and provide a powerful, consistent and systematic business planning process. It will develop an understanding of communities' needs, based on up to date evidence, and work with and on behalf of other services to agree outcomes and secure the best services within the available budget. With the inclusion of area public service integration, procurement and asset management, this function will also ensure that we are using all of our resources as effectively as possible.

Operations and Delivery

Operations and Delivery's focus will be on front line service delivery, responsible for services that touch the lives of people across Lancashire on a daily basis. The three teams within the structure mirror the three strands of the Council's Health and Wellbeing Strategy – start well, live well and age well. These areas will need to work flexibly with each other and hand in hand with Corporate Commissioning, ensuring that health and wellbeing are at the core of frontline services. The key challenges for Operations and Delivery will include being as lean and as efficient as possible, and joining up services in a way that delivers the seamless customer experience. Integral to achieving all of these goals will be the role of Customer Access, which will report into the Corporate Director.

Capacity to develop new opportunities

In the Development and Corporate Services part of the structure, the council will have a dedicated resource to take up, develop and deliver on new opportunities and different ways of working. This work will range from implementing large infrastructure projects including the City and Growth Deals, supporting economic development and regeneration initiatives through to preparing the council for new challenges like the Care Act and enabling new means of service delivery such as bringing forward much needed extra care facilities. Services and directorates in our current structure have often understandably struggled to find the capacity to bring such projects forward alongside delivering the day job. In future, we should be flexible and responsive enough to grab good opportunities for Lancashire as and when they arise.

The new structure is intentionally very different from the current one but the transformation of the Council will not be delivered by new posts and functions set out on a piece of paper. The structure has been designed so that when it is implemented this will look and feel like a very different organisation. It will encourage and enable all staff to both think and work differently.

Overall and most importantly, despite the considerable challenges the Council is facing, the structure is designed to ensure that the Council maintains a positive sense of what it can achieve and to continue to have the very highest aspirations for Lancashire and its communities.

3. Phase One of the new Structure: Posts at Grade 11 and above.

The Council's proposed new employee structure will be implemented in two phases. The first phase will comprise a new structure for posts at or above Grade 11 (or equivalent salaries on other pay scales) will be agreed and appointed to by 1 April 2015.

Currently there are 753 posts at grade 11 above. In the proposed new structure there will be 596 posts. In both cases, the posts currently shown in the new structure as being out of scope at this stage of the re-organisation, circa 183 posts, are included in these total number of posts. This means that the number of posts in scope at this stage of the reorganisation, to be used for comparing the current structure with the new structure is 570 posts and 413 posts respectively.

Overall, the new organisation will have 157 fewer posts at salaries equivalent to Grade 11 and above. This represents a 28% reduction in the number of posts in scope at this stage of the reorganisation within the leadership and management structure of the County Council.

A number of posts within the structure will continue to be funded from income and therefore the net cost of posts (which takes into account posts that will be funded from income) has been used to determine the financial impact. Overall, the recommendations proposed in this report will result in cost savings to the County Council of £11.4m per annum (38%), making a significant contribution to our savings targets of £300m.

Out of Scope Services

The School Improvement and Schools Development and Innovation Services, which are among the most significant traded services in terms of scale, are shown in the new structure as being out of scope of this stage of the reorganisation. Similarly an element of statutory service provision, such as Educational Psychology Services, is identified as out of scope as discussions are underway about potential new business models that could be explored and more work is required before options can be put forward. Employees in these service areas will be kept up to date and involved in this work as it progresses.

4. Principles for appointment to the new organisation

Open Recruitment

The proposed principles for making appointments to the new organisation are set out at Appendix 'B' to this report.

Underpinning these principles is the wish to adopt as open a recruitment process as is practically possible to ensure that the best person is appointed to every post in the new structure. In ideal circumstances this would mean that all jobs would be open to applications from the entire workforce. However, given that the process will involve some 10,000 employees and that the intention is to have completed the transformation process by April 2016, this would not be a practical way forward. The principles proposed therefore embody the principle of open recruitment, balanced

against the need to maintain the delivery of council services and employees' interests.

Given the timescale of the change and the desire for fairness during this process, it is proposed that each member of staff will have the opportunity to apply for a maximum of three roles up to April 2016. It is expected that it will take until March 2016 to make all appointments to the new establishment. If employees are unsuccessful in their three applications during this period, they may then be able to apply for posts after April 2016 depending on the number of positions available.

Subject to a sufficient number of volunteers coming forward by 31 March 2016, it is proposed that no employee will be made compulsory redundant during this period. This will mean that if employees find themselves without a post as a result of the recruitment process they will remain subject to redeployment during this period until March 2016.

Who is eligible to be considered in the restructure?

With a few exceptions, all our employees are eligible to be considered for posts in the new structure. This includes:

- Employees who have transferred into the council under TUPE regulations, or the principles of TUPE. They will be expected to apply for posts based on the comparable grade. We will establish the comparable grade as part of the restructure process; and
- Graduates and apprentices on training contracts unless covered by the limited number of exceptions below.

The exceptions are:

- Employees on fixed term contracts will only be included within Stage One of the recruitment process if they have 12 months continuous service with the County Council at 31 March 2015 for posts within the grade 11 and above structure and 31 March 2016 for posts within the grade 10 and below structure; and
- Agency and casual workers.

Generic Role Profiles

The new structure will be designed using generic role profiles. Profiles already exist up to Grade 12 and are used throughout the Council as the basis for recruitment to the majority of posts. New profiles have been developed, which have been subject to equal pay evaluation, for roles above Grade 12, enabling the entire structure to be designed on this basis.

Wherever possible person specifications will be based on these generic role profiles and requirements for specialist qualifications, skills and experience will only be added where these are essential to the role. This will ensure that all posts within the Council are remunerated on a fair and equal basis and that, for many employees, comparisons with existing structures and roles will not be relevant.

Pay Protection

During the consultation with employees the Management Team were asked to consider alternative proposals which would provide pay protection for employees applying for lower graded posts within the new structure. The principle of not providing for pay protection at Stage One of the process has not changed. Employees who are successful in securing a new post at stage one of the process will have applied for and been appointed to a new job within the new structure. Employees who enter the second stage of the process because they have not been successful in securing a new job in the new structure will clearly be at risk of redundancy. In the event that a suitable redeployment opportunity is identified at the second stage of the process, then those employees will still be afforded pay protection.

Terms and Conditions of Employment

The Employment Committee currently has delegated powers to determine the terms and conditions of employment on which employees hold office. Following the Council's equal pay review that concluded in 2011 the majority of staff accepted (either voluntarily or by accepting re-engagement) that they would in future be working on Lancashire County Council Terms and Conditions of Employment, and revised Statements of Particulars were issued to all staff incorporating all changes made as a result of the Equal Pay Review.

This exercise included all staff employed on different terms and conditions as a result of TUPE transfers. However, since then many more staff have transferred to the Council's employment, including notably staff who transferred from the NHS as part of the Public Health transfer. The transformed Council will be a completely different organisation than at present and as part of the philosophy of transparency and equity it is considered that all staff should be employed on the same terms and conditions of employment and on the basis of the Lancashire Pay spine. Whilst TUPE provides protection for staff transferring to a new employer, the change proposed is entirely unconnected with the transfer of the groups of staff affected and does not therefore breach the TUPE Regulations.

All posts in the new structure will therefore be offered on the basis of Lancashire Terms and Conditions of Employment and applicants will therefore be aware of the basis on which posts in the new structure are offered and that by accepting a post they do so on the basis of Lancashire Terms and Conditions. It is proposed that this principle extends to all posts at Director Level and above including the Chief Executive. In practice there are few significant differences between existing JNC Conditions of Service for Chief Officers and Lancashire Terms and Conditions other than the Car Leasing Scheme. It is proposed that an LCC Car Leasing Scheme is established based on the same entitlements/costs as at present to take effect as a local condition of service.

However, there are further differences between Lancashire Terms and Conditions and the JNC Terms and Conditions for Chief Executives. It is therefore proposed that these are reviewed based on the principle that the Lancashire Terms and Conditions

will apply subject to any further provisions that may be necessary also being included. This review will be reported to the Employment Committee in due course.

As terms and conditions of employment are a non-executive function (and therefore cannot be agreed by Cabinet) a recommendation to adopt this principle must be made to the County Council's Urgency Committee.

5. Chief Officer Appointments

The appointment of Executive Directors, the Monitoring Officer and the S151 Officer is currently the responsibility of the Employment Committee, reflecting the Council's current hierarchy. Under the new Council structure the Chief Executive intends that her core Management Team would comprise the Corporate Director Commissioning and Deputy Chief Executive, Corporate Director Operations and Delivery, and Director of Development and Corporate Services. Proposals to make appointments to these posts would, as at present, continue to require to be notified to Cabinet Members to provide an opportunity for them to object to the appointment, a requirement within the Council's Constitution that reflects legislation.

The current posts of County Secretary & Solicitor (this post is also designated as the County Council's Monitoring Officer) and County Treasurer (this post is also designated as the County Council's Section 151 Officer) are not replicated in the new structure. Therefore, it is possible that the roles of Monitoring Officer and S.151 Officer could be attached to a number of posts within the new structure, depending ultimately on the professional qualification of the individual who is appointed to each of these posts.

If the Council's proposed new structure is approved it is proposed that Cabinet recommend the Urgency Committee to agree that the Employment Committee should be responsible for making initial appointments to the new structure in relation to the following posts:

- Corporate Director Commissioning and Deputy Chief Executive;
- Corporate Director Operations and Delivery;
- Director of Development and Corporate Services;
- Director of Adult Services;
- Director of Children's Services;
- subject to applications being received from staff holding an appropriate professional qualification allowing them to also be appointed as the Council's Monitoring Officer or S.151 Officer, the Director of Governance, Finance and Public Services; and
- Subject to the appointment of the Monitoring Officer or S.151 Officer referred to above, the Director of Financial Resources and/or the Director of Legal and Democratic Services, with the intention that the successful applicant(s) is/are also appointed as the Monitoring Officer or S.151 Officer;

It is proposed that appointments to all other posts are delegated to the Chief Executive as Head of the Paid Service.

However, in the case of the roles of Monitoring Officer and S.151 Officer, before any appointment is made the proposal to do so must be notified to Cabinet Members (for the same reasons referred to above) and the consent of Full Council is also required before an appointment can be made to either post. Given the tight timescales for making appointments to the Grade 11 and above structure it is therefore intended that approval of Full Council to these proposed appointments will be sought from the Urgency Committee in due course.

All of the appointments referred to above will therefore initially be made in accordance with the principles set out at Appendix 'B' to this report, in common with all other appointments to the new structure and, where necessary, the further requirements identified above. Going forward it is proposed that the Employment Committee's future role in senior appointments be reviewed.

Cabinet is therefore asked to recommend the Urgency Committee to agree to these changes on behalf of Full Council.

6. Employee Welfare

The new structure establishes an additional post, at Grade 11, of Employee Welfare Manager. It is proposed that this post will be supported by a team of three posts at Grade 10 to establish a significant Employee Welfare function. The service will provide welfare support to employees where personal and employment related issues are affecting the capability and capacity of employees to effectively undertake their roles. It is proposed that recruitment to these posts will take place as soon as possible, in advance of appointments to the wider Council structure to provide support to the transformation process.

Consultations

There has been extensive consultation with staff and Trade Unions in relation to all aspects of the proposals.

Consultation on the Principles for Appointment took place in June and July 2014, as a result of which a number of changes were made to the proposals. The changes made include providing greater opportunity for employees on fixed term contracts and for those who have taken on new roles pending the implementation of the new structure, often to facilitate voluntary redundancies and cost savings.

The consultation on the structure for posts at Grade 11 and above opened on 15 July 2014 and closed on 12 August 2014, with options to submit comments by email or letter. Over the 4 week period 194 comments were received by mail and letter. In addition to the consultation mailbox and letter options, 6 staff briefings with question and answer sessions were attended by 517 staff and two on line live Q&A have been held. This process helped to inform the production of 188 frequently asked questions (FAQs) and answers being published throughout the consultation period and after.

Alternative proposals have been considered by Management Team and a number of changes made to the proposed structure as a result. Most significant has been the proposal to consider over 60 employees, mainly teachers and educational

psychologists, as out of scope in this phase of our transformation so that they may be considered, alongside others, in discussions currently underway regarding potential new business models.

The proposed Appeals Process at Appendix 'C' to this report is currently the subject of consultation with the recognised Trade Unions and the outcome will be reported orally to Cabinet.

Implications:

This item has the following implications, as indicated:

Risk management

The implication of not proceeding with the recommendations proposed in this report is that there will be a materially adverse impact on the ability of the County Council to achieve the significant financial challenges outlined in this report. In the opinion of the Management Team, these levels of savings cannot be delivered under the current organisational arrangements.

Nevertheless , it is fully recognised that the revised structure at Grade 11 and above contained within this report will clearly have a significant impact on individual staff who are unsuccessful in being appointed to a post in the new structure. In addition to the approach to voluntary redundancy, a comprehensive package of staff development and support which has been put in place under the theme of "Supporting Your Future". This package of support provides peer support, networking opportunities and training to staff to help them make informed choices about their future and to support them in the recruitment process should they wish to remain with the Council.

A core programme for the following three topics has been developed:

- "Pushing the boundaries and taking control", which focuses on personal resilience and provides practical tips and guidance to help staff respond positively to events;
- "You are unique sell yourself" which provides opportunities for staff to identify their transferable skills and prepare for job applications;
- "On line tools to increase your business profile" which encourages staff to look at the use of technology and how it can support them to find alternative work.

To date, 2098 places have been taken up.

In addition to this core programme we are working with Lancashire Adult Learning, Preston College and UCLAN to offer additional support which includes workshops and individual sessions covering:

- 1 to 1 careers advice sessions;
- Supporting Your Next Career Move;
- Interview skills;
- Financial Planning;

- Self-employment;
- Pensions and Pre-retirement

We are also working on:

- providing support for staff displaced as a result of stage one;
- support for staff at Grade 10 and below which will have some similarities to those made available for staff in phase 1 but because of the size and nature of the group may include additional opportunities. Its proposed to make these available early in 2015;
- support for staff at Grade 11 and above who have been appointed to posts in the new structure from 1 April 2015 as they take up their new roles.

As explained in Section 6 above, the recommendations to Cabinet also include a proposal to establish an Employee Welfare Team, to be established with immediate effect, in advance of the transformation timeline, to provide support to employees during the transformation process.

Financial implications

This decision will result in cost savings to the County Council of £11.4m per annum (38%), contributing to our savings targets of £300m.

Equality and Diversity Implications

Section 149 of the Equality Act 2010 sets out the equality duty that public authorities must comply with. This duty requires the decision maker to have due regard to: the need to eliminate discrimination, harassment, victimisation or other lawful conduct under the Act; to advance equality of opportunity between persons who share a "protected characteristic" and those who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

An Equality Analysis is set out at Appendix 'D' to this report which provides a detailed explanation of what the duty requires and which analyses the potential impact of the recommendations to Cabinet. Whilst the Analysis notes a disproportionate impact on males within the Grade 11 and above cohort, this does not amount to unlawful discrimination and in view of the need to achieve significant savings on employee costs it is considered reasonable for the proposals to be recommended to Cabinet for approval. Similarly whilst the overall effect of the restructure may have a disproportionate impact on women, this simply reflects the makeup of the Council's workforce as a whole and again does not amount to unlawful discrimination.

The Equality Analysis has however also identified implications for a number of groups of staff with protected characteristics, for example disabled employees, and the proposals relating to the recruitment process take into account these issues and mitigate any potential adverse impact to ensure that the staff concerned are not adversely affected as a consequence of their protected characteristic.

As regards the potential impact of the proposals on service users and residents of Lancashire, the proposals are intended to ensure that the new, smaller Council is able to continue to deliver high quality services and it is therefore not considered that there will be an adverse impact.

The effects of the proposals will be monitored against a range of indicators and the Equality Analysis updated accordingly and reported back to Cabinet where that is necessary.

Human Resources Implications

Overall, the new organisation will have 157 fewer posts at salaries equivalent to Grade 11 and above. This represents a 28% reduction in the number of posts in scope at this stage of the reorganisation within the leadership and management structure of the county council.

We are committed to reducing employee numbers on a voluntary basis. Therefore, subject to a sufficient number of volunteers coming forward by 31 March 2016, it is proposed that no employee will be made compulsory redundant during this period. This will mean that if employees find themselves without a post prior to April 2016, they will remain subject to redeployment during this period until March 2016. It is expected that it will take until March 2016 to make all appointments to the new establishment.

Whilst it is not possible to give assurance with respect to employment after 31 March 2016, the approach agreed by Cabinet provides employees with a degree of security and clarity.

This restructure will require the establishment of new posts identified in Appendix 'A' to this report and the disestablishment of all posts at salaries equivalent to Grade 11 and above, unless they are identified as being out of scope.

Further guidance in the form of a "How To" guide will be published, providing further information for managers and employees on the anticipated timescales and approach to recruitment to the new structure. This guidance will continue to be refreshed as appropriate and provide employees with as much information as necessary to support them through the process.

List of Background Papers

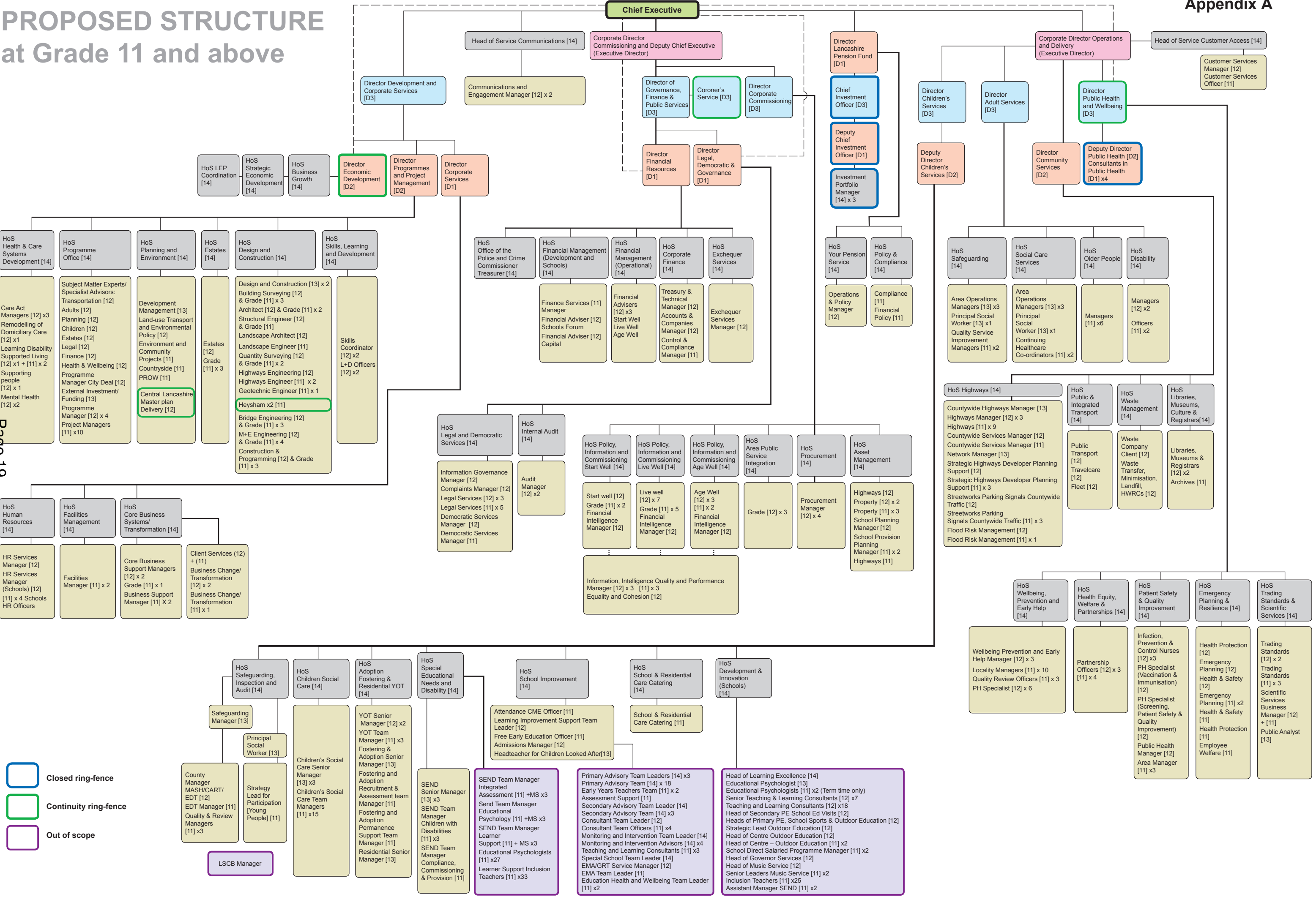
Paper	Date	Contact/Directorate/Tel
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N/A		
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Reason for inclusion in Part II, if appropriate		
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N/A		
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PROPOSED STRUCTURE
at Grade 11 and above



- Closed ring-fence
- Continuity ring-fence
- Out of scope

Appointments to Lancashire County Council's new structure

Our philosophy

We will adopt as open a recruitment process as is practically possible to ensure that we appoint the best person for the job. In ideal circumstances this would mean that all jobs would be open to applications from the entire workforce. Given that this is likely to involve some 10,000 employees and we only have until April 2016 to achieve the transformation, this would not be a practical way forward. We have therefore developed some principles which will embody the principle of open recruitment, balanced against the need to maintain council services and employee's interests.

Given the timescale of the change and the desire for fairness during this process, we will be allowing each member of staff the opportunity to apply for a maximum of three roles up to April 2016. If colleagues proved unsuccessful in their three applications during this period, they may be able to apply again after April 2016 depending on the number of positions available.

The principles set out in this document are based on the voluntary severance package agreed by the council's cabinet in January 2014.

We are committed to reducing employee numbers on a voluntary basis. Therefore, subject to a sufficient number of volunteers coming forward by 31st March 2016, it is proposed that no employee will be made compulsory redundant during this period.

This will mean that if employees find themselves without a post prior to April 2016, they will remain subject to redeployment during this period until March 2016.

It is expected that it will take until March 2016 to make all appointments to the new establishment.

Whilst it is not possible to give assurance with respect to employment after 31st March 2016, the approach agreed by the council's cabinet provides employees with a degree of security and clarity within which employees can make their plans and is fair to all.

Designing the new structure

In order to create a new structure for the organisation we need to appoint to posts in different phases over the next two years. The first phase of recruitment will be looking at the structure of the organisation for grade 11 and above. Our target is to have the management structure of the council in place by April 2015.

Once these positions are appointed to, the structure of the organisation grade 10 and below will be looked at. Our target is to commence the consultation on this second phase of our organisation in May/June 2015. The completion of these two phases of the process will take us to April 2016 and you will hear it described as Stage One. Once all applications for posts within a ring fence (ring fences are referred to below) have been considered and appointment decisions made, then

Stage Two will commence. The focus of this Second Stage will be to redeploy employees who have not been successful in gaining a post into any remaining vacant posts.

The new structure will be designed using [generic role profiles](#). Profiles already exist up to Grade 12 and are used throughout the council as the basis for recruitment to the majority of posts. We have developed new profiles, which have been subject to equal pay evaluation, for roles above Grade 12, enabling the entire structure to be designed on this basis.

Wherever possible we will develop person specifications based on these generic role profiles. We will only add requirements for specialist qualifications, skills and experience where these are essential to the role. This will ensure that all posts within the council are remunerated on a fair and equal basis and that, for many employees, comparisons with existing structures and roles will not be relevant.

All posts within the new structure will be established on Lancashire County Council Terms and Conditions.

The pay level of the employee at the time that the structure is approved will determine their eligibility for inclusion in a ring fence unless an employee elects to be included in a ringfence based on the pay of their substantive grade. This will provide an opportunity to those employees who have taken on new roles pending the implementation of the new structure, often to facilitate voluntary redundancies and cost savings

We will develop a structure which is as flexible as possible, recognising that our new and smaller organisation will require employees to work across a broader range of services and for us to be able to adapt quickly to the priorities of the communities and people that we serve.

Ring-fencing jobs

Some jobs will need to be ring fenced to help us provide business continuity as well as ensuring we have the right expertise in areas of niche expertise. We also want to offer new opportunities to as many colleagues as possible but our ultimate aim is to find the best person for the job.

To help us manage the restructure in a coherent way we will be setting up three types of ring-fenced jobs; open, closed and continuity.

Open ring-fences

We will implement an 'open' ring-fence to jobs where the skills of a role could be transferable and we will appoint through a competitive interview process offering opportunities across the organisation, where possible. This will help ensure that we appoint the best person for the job. Posts within an open ring-fence will be open to

- any employee that is not included within a closed ring-fence or a continuity ring-fence (see explanations below).

- employees who choose to apply for posts at up to two grades higher than the grade band at which they are currently paid, at the same grade, or one grade below.
- any employee that elects to be included in a ringfence based on the pay of their substantive/comparable grade. This means that employees may elect to apply for posts at up to two grades higher than the grade band of their substantive post, at the same grade, or one grade below.

Where there are no posts available to apply for at the grade immediately below, employees will be able to apply for posts within the next available grade.

Employees within an open ring-fence will be eligible to apply for up to three posts within the open ring-fence. They will not be able to use one of their three application options as part of any of the other ring fenced options.

Employees who are not successful in gaining a post may be able to apply for any post remaining vacant when Stage One has been completed (see stages and timescales below). The focus of this Second Stage will be to redeploy employees who have not been successful in gaining a post into any remaining vacant posts.

Closed ring-fences

In some areas we will have more people than posts and a need to maintain key skills and experience in maintaining the council's service areas. To achieve this it will sometimes be necessary to define a closed ring-fence set of posts for certain service areas and grades.

For closed ring-fences a schedule of posts and eligible employees will be identified. The schedule will define the eligible grade ranges for applicants within the ring-fence.

Posts within a closed ring-fence will only be open to those employees identified on the relevant closed ring-fence schedule. For those employees who have been identified on the closed ring-fence schedule, they will have up to three opportunities to apply for a position within the closed ring-fenced roles. They will not be able to use one of their three application options as part of any of the other ring fenced options.

Employees identified on a closed ring-fence schedule may request to be excluded from the schedule and included within an open ring-fence. Agreement to such requests will be at the council's discretion and would take in to account the numbers of employees within the open ring-fence and business need.

Employees who are not successful in gaining a post within the structure may be able to apply for post remaining vacant when Stage One has been completed (see stages and timescales below). The focus of this Second Stage will be to redeploy employees who have not been successful in gaining a post into any remaining vacant posts.

Continuity Ring-Fences

In some areas of the council's services it may be that there is little or no change in the numbers and grades of posts within the new structure. In these cases it may be necessary to define a continuity ring-fence set of posts for certain service areas and grades.

For continuity ring-fences a schedule of posts and eligible employees will be identified.

Posts within a continuity ring-fence will only be open to those employees identified on the relevant continuity ring-fence schedule.

Eligible employees will be confirmed in post within the new structure without having to make an application for the post.

Identified employees will not be able to seek exclusion from the continuity ring-fence.

Applying ring-fencing to posts at Grade 11 and above

The Grade 11 and above management structure will consist mainly of an open ring-fence and that posts will be filled through a competitive interview process.

As the management structure will be appointed first, employees at Grade 9 and 10 will have the opportunity to apply for posts within both the management structure and the Grade 10 and below structure. The ring-fence for Grades 9 and 10 will not have been established at that point so we expect that all Grade 9 and 10 employees will be eligible.

To maintain fairness, any applications by post-holders at Grade 9 and 10 to the management structure will count against their 3 applications in Stage One. The same principle will apply to Grade 11 post-holders that subsequently apply for Grade 10 posts.

Applying ring-fencing to posts at Grade 10 and below

The broad range of services provided by the council means that we will need to adopt a variety of approaches to ring-fencing of posts at Grade 10 and below. Where possible we will adopt an open ring-fence approach but this will be balanced against the need to maintain service delivery.

In areas where we are reducing employee numbers but need to maintain key skills and experience we may need to adopt a closed ring-fence approach to ensure that we retain sufficient skills and experience to deliver the service.

In other areas it is possible that there will be little change in the numbers and grades of post in the new structure and we may adopt a continuity ring-fence approach. This is likely to be in some key front-line services where the council continues to prioritise the current level of service.

Recruiting to the new structure

Our main priority is to ensure that we appoint the best person for the job. To help us achieve this we will have a three stage recruitment process.

- Stage One: Will involve all eligible employees being included within one of three types of ring-fence and having the opportunity to apply for posts, or in some circumstances be confirmed in post.
- Stage Two: Will be limited to any employee without a job after Stage One has been completed. We will help these employees find opportunities through redeployment and retraining.
- Stage Three: Any remaining vacant posts will be advertised internally and where appropriate externally.

Who is eligible to be considered in the restructure?

With a few exceptions, all our employees are eligible to be considered. This includes

- Employees who have transferred into the council under TUPE regulations, or the principles of TUPE. They will be expected to apply for posts based on the comparable grade. We will establish the comparable grade as part of the restructure process.
- Graduates and apprentices on training contracts unless covered by the exceptions below.

The exceptions are:

- Employees on fixed term contracts will only be included within Stage One of the recruitment process if they have 12 months continuous service with the County Council at 31 March 2015 for posts within the grade 11 and above structure and 31 March 2016 for posts within the grade 10 and below structure.
- Agency and casual workers will not be included within Stage One and Stage Two of the recruitment process.

In the design of the new structure we will seek to avoid the use of temporary posts where possible, maximising the opportunity for permanent employment for eligible employees.

Our intention remains to achieve the reductions that are required in our workforce by voluntary redundancy as far as possible. This means that employees who are unsuccessful at Stage One, and do not wish to apply for voluntary redundancy, may be able to continue working at their current Grade to deliver services as part of the transition to the new council structure. At the end of Stage One they will be eligible to apply for any post which remains vacant at that time.

Timescales

The remaining key milestones for the restructure are expected to be:

Date	Milestone
September 2014	Review of response to consultation
October 2014	Sign off by elected members
October 2014	Begin recruitment to new Grade 11 and above structure
April 2015	Recruitment to Grade 11 and above structure complete
April 2015	Begin to produce draft structures for Grade 10 and below
May/June 2015	Consult on the Grade 10 and below structure
17 June 2015	Management Team consider consultation feedback
July 2015	Finalise structure and principles of appointment
September 2015	Begin recruitment to new structure for Grade 10 and below
April 2016	Restructure complete.

Appendix 'C' - Appeals

It is proposed that the following draft procedure be used to deal with appeals raised through the LCC transformation process, subject to trade union consultation and agreement.

Transformation Appeals Procedure

Stage 1 of the Recruitment Process

This procedure will be used to deal with appeals during Stage 1 of the recruitment process. Appeals may be made in relation to shortlisting or appointment decisions. An appeal may be made in respect of each post that an employee is interviewed for or for which they are not shortlisted.

Appeals will only be considered in the following circumstances:

- (1) where an employee feels that the recruitment process failed to follow the approved procedure, or
- (2) where an employee feels they have been treated less favourably because of a protected characteristic¹ they possess, as set out under the Equality Act 2010, or that reasonable adjustments were not made to enable them to fully participate in the interview process and they feel they have been disadvantaged because of this.

Appeals will not be considered where the sole ground of appeal is that the employee considers that they were the best candidate for the post being interviewed for and should therefore have been appointed.

The appeal process does not cover the refusal of a request made by the employee for any form of flexible working. Any issue relating to the refusal of any form of flexible working will be considered under the relevant Council procedure that applies.

Appeals Process

Where an employee wishes to appeal against a decision under this procedure, they must set out their ground(s) for appeal by email or in writing within 5 working days of receiving notification of the decision.

The appeal must be sent to the Restructure Support Team (add link to mailbox address and consider quoting a postal address).

¹ There are nine protected characteristics contained within the Equality Act 2010. These are: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Appeals will be heard by a manager who has had no prior involvement in the decision that is being appealed.

An appeal hearing will be convened to hear the appeal, normally within 5 working days of receipt of the written notification of the appeal.

The manager hearing the appeal may be advised at the appeal hearing by a member of the Corporate HR Team.

The employee has the right to be accompanied at the appeal hearing by a work colleague, trade union representative or an official employed by a trade union. Appeal hearings will not normally be adjourned on the basis that a work colleague, trade union representative or official employed by a trade union is unavailable.

At the hearing, the employee (or their representative) will present their case for appeal.

The chair of the recruitment panel will respond.

The manager hearing the appeal will then consider the submissions made and reach a final decision on the case. The outcome of the appeal will be confirmed to the employee in writing within 5 working days of the hearing.

Section 4

Equality Analysis Toolkit

New Organisation
For Decision Making Items

November 2011

What is the Purpose of the Equality Decision-Making Analysis?

The Analysis is designed to be used where a decision is being made at Cabinet Member or Overview and Scrutiny level or if a decision is being made primarily for budget reasons. The Analysis should be referred to on the decision making template (e.g. E6 form).

When fully followed this process will assist in ensuring that the decision-makers meet the requirement of section 149 of the Equality Act 2010 to have due regard to the need: to eliminate discrimination, harassment, victimisation or other unlawful conduct under the Act; to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard means analysing, at each step of formulating, deciding upon and implementing policy, what the effect of that policy is or may be upon groups who share these protected characteristics defined by the Equality Act. The protected characteristics are: age, disability, gender reassignment, race, sex, religion or belief, sexual orientation or pregnancy and maternity – and in some circumstances marriage and civil partnership status.

It is important to bear in mind that "due regard" means the level of scrutiny and evaluation that is reasonable and proportionate in the particular context. That means that different proposals, and different stages of policy development, may require more or less intense analysis. Discretion and common sense are required in the use of this tool.

It is also important to remember that what the law requires is that the duty is fulfilled in substance – not that a particular form is completed in a particular way. It is important to use common sense and to pay attention to the context in using and adapting these tools.

This process should be completed with reference to the most recent, updated version of the Equality Analysis Step by Step Guidance (to be distributed) or EHRC guidance - [EHRC - New public sector equality duty guidance](#)

Document 2 "Equality Analysis and the Equality Duty: Guidance for Public Authorities" may also be used for reference as necessary.

This toolkit is designed to ensure that the section 149 analysis is properly carried out, and that there is a clear record to this effect. The Analysis should be completed in a timely, thorough way and should inform the whole of the decision-making process. It must be considered by the person making the final decision and must be made available with other documents relating to the decision.

The documents should also be retained following any decision as they may be requested as part of enquiries from the Equality and Human Rights Commission or Freedom of Information requests.

Support and training on the Equality Duty and its implications is available from the County Equality and Cohesion Team by contacting

AskEquality@lancashire.gov.uk

Specific advice on completing the Equality Analysis is available from your Directorate contact in the Equality and Cohesion Team or from Jeanette Binns

Jeanette.binns@lancashire.gov.uk

Name/Nature of the Decision

The new County Council organisation.

What in summary is the proposal being considered?

We are creating a new-look organisation structure that's designed to work with a much smaller budget while providing the very best service it can to create and support the prosperity, health and wellbeing of people across Lancashire.

Is the decision likely to affect people across the county in a similar way or are specific areas likely to be affected – e.g. are a set number of branches/sites to be affected? If so you will need to consider whether there are equality related issues associated with the locations selected – e.g. greater percentage of BME residents in a particular area where a closure is proposed as opposed to an area where a facility is remaining open.

The restructure is necessary to support the delivery of the savings needed, so ensuring the continued financial sustainability of the County Council. Everyone in Lancashire will therefore be potentially affected; employees, service users and residents.

Could the decision have a particular impact on any group of individuals sharing protected characteristics under the Equality Act 2010, namely:

- Age
- Disability including Deaf people
- Gender reassignment
- Pregnancy and maternity
- Race/ethnicity/nationality
- Religion or belief
- Sex/gender

- Sexual orientation
- Marriage or Civil Partnership Status

In considering this question you should identify and record any particular impact on people in a sub-group of any of the above – e.g. people with a particular disability or from a particular religious or ethnic group.

It is particularly important to consider whether any decision is likely to impact adversely on any group of people sharing protected characteristics to a disproportionate extent. Any such disproportionate impact will need to be objectively justified.

Yes. The decision will impact on all employees of the county council, which will include individuals and groups of individuals with protected characteristics under the Equality Act 2010.

If you have answered "Yes" to this question in relation to any of the above characteristics, – please go to Question 1.

See question 1.

If you have answered "No" in relation to all the protected characteristics, please briefly document your reasons below and attach this to the decision-making papers. (It goes without saying that if the lack of impact is obvious, it need only be very briefly noted.)

Question 1 – Background Evidence

What information do you have about the different groups of people who may be affected by this decision – e.g. employees or service users (you could use monitoring data, survey data, etc to compile this). As indicated above, the relevant protected characteristics are:

- Age
- Disability including Deaf people
- Gender reassignment/gender identity
- Pregnancy and maternity
- Race/Ethnicity/Nationality
- Religion or belief
- Sex/gender
- Sexual orientation
- Marriage or Civil Partnership status (in respect of which the s. 149 requires only that due regard be paid to the need to eliminate discrimination, harassment or victimisation or other conduct which is prohibited by the Act).

In considering this question you should again consider whether the decision under consideration could impact upon specific sub-groups e.g. people of a specific religion or people with a particular disability. You should also consider how the decision is likely to affect those who share two or more of the protected characteristics – for example, older women, disabled, elderly people, and so on.

Numbers of staff employed by the county council

Number of Staff								
Gender		Disability			Age			
Male	Female	Yes	No	Not Recorded/Unknown	16-24	25-39	40-64	65+
3593	10005	315	11043	2219	606	2997	9438	536

Due to the makeup of the Council's workforce the transformation of the Council is likely to impact on significantly more females than males.

The analysis also indicates that a significant proportion of our workforce is aged 40 and above.

Ethnic background of County Council Employees

Ethnic Background

	Any Other	Asian Bangladeshi	Asian Indian	Asian Other	Asian Pakistani	Black African	Black Caribbean	Black Other	Chinese	Mixed African
ACS	13	4	51	8	47	6	8	6	5	1
CYP	7	3	31	10	46	2	5	6	2	2
LCCG	30	3	29	9	17	0	5	0	1	1
ENV	1	1	21	4	3	1	3	0	3	0
OCE	5	0	17	0	3	0	1	0	0	0
CT	0	0	14	2	0	0	2	2	2	0
Total	56	11	163	33	116	9	24	14	13	4

	Mixed Asian	Mixed Caribbean	Mixed Other	Unknown	White British English	White British Other	White Scottish	White Welsh	White Irish	White Other
ACS	5	9	10	786	77	2424	0	2	17	28
CYP	3	5	2	1120	67	1909	1	0	13	21
LCCG	0	2	0	1261	22	3208	0	0	16	3
ENV	0	1	1	275	17	1036	0	0	7	6
OCE	0	0	0	86	8	305	0	0	2	1
CT	1	1	0	82	13	284	1	0	1	1
Total	9	18	13	3610	204	9166	2	2	56	60

The analysis indicates that around 69% of the workforce consider themselves to be White British, 27% are not known and 4% considered to be BME.

Specific analysis of posts at Grade 11 and above

Current Grade 11 and above (or equivalent salary)	Existing Structure - Number of Posts	New Structure - Number of Posts	Change in number of Posts	% Change in number of Posts
ED	4	2	-2	-50%
D3	3	8	5	167%
D2	20	5	-15	-75%
D1	5	9	4	80%
Grade 14	98	83	-14	-14%
Grade 13	124	24	-98	-79%
Grade 12	127	169	44	34%
Grade 11	372	289	-81	-22%
TOTAL	753	589	-157	-21%

Grade	Comment	Gender impact assessment
ED	The number impacted is too low to be significant in the context of the equality analysis for LCC as a whole. However, 75% of current ED grade are male and 25% are female. This compares with 26% and 74% of the entire LCC workforce.	There is a disproportionate impact on male employees.
D3	We are increasing the numbers of posts at this level	
D2	The number impacted is too low to be significant in the context of the equality analysis for LCC as a whole. However, 82% of current grade D2 are male and 18% are female as compared with 26% and 74% of the entire workforce.	There is a disproportionate impact on males

D1	We are increasing the numbers at this level		
Grade 14	The number impacted is too low to be significant in the context of the equality analysis for LCC as a whole. However 69% of current grade 14 are male and 41% are female as compared with 26% and 74% of the entire workforce.		
Grade 13	59% of current Grade 13 are male. 41% of current grade 13 are female as compared with 26% and 74% of the entire LCC workforce.	There is a disproportionate impact on males	
Grade 12	We are increasing the number of posts at this level		
Grade 11	47% of the current grade 11 are male. 53% of the current grade 11 are female as compared with 26% and 74% of the entire workforce.	There is a disproportionate impact on females	

Equality indicators December 2013 taken from our Equality Report published January 2014

The following indicators are monitored quarterly and reported on annually as required under the Specific Duties of the PSED of the Equality Act 2010.

Indicator	% in December 2012	% in December 2013
BME employees in the LCC workforce	3.90%	3.29%
Disabled employees in the LCC workforce	2.48%	2.21%
Women in the LCC workforce	73.2%	73.48%
BME employees in senior LCC posts	3.12%	3.00%
Disabled employees in senior LCC posts	3.01%	3.11%
Women in senior LCC posts	53.42%	55.72%

Question 2 – Engagement/Consultation

How have you tried to involve people/groups that are potentially affected by your decision? Please describe what engagement has taken place, with whom and when.

(Please ensure that you retain evidence of the consultation in case of any further enquiries. This includes the results of consultation or data gathering at any stage of the process)

The consultation on the new organisation structure is an LCC employee consultation and has not involved external bodies other than Trade Unions.

The principles for appointment, structure at Grade 11+ and associated guidance such as the "How To" guide will be the subject of reports to Executive Scrutiny and Cabinet to be considered in October 2014.

The consultation on the principles for appointment to the new Council structure resulted in a number of changes:

- Eligibility based on substantive pay: Feedback highlighted that some employees felt that they were potentially disadvantaged by our proposals where they would be eligible to apply for posts based on their actual rather than substantive pay. As a result, we have amended the proposals to allow employees to elect to apply based on the pay of their substantive grade. This means we will still provide an opportunity to those employees who have taken on new roles pending the implementation of the new structure, often to facilitate voluntary redundancies and cost savings, whilst also responding to the feedback from those employees who may feel disadvantaged competing for posts within a higher grade range.
- Fixed-Term Contracts: We received a number of proposals from employees who considered that our proposed approach to the eligibility of employees on fixed-term contracts did not recognise the specific circumstances of employees, who may for example have

been employed by the Council for many years but had taken posts with fixed-term contracts as part of more recent restructures. As a result, we have changed the principles so that employees on fixed-term contracts will only be included within Stage One of the recruitment process if they have 12 months continuous service with the Council as at 31 March 2015 for posts within the Grade 11 and above structure and 31 March 2016 for posts in the structure at Grade 10 or below. This principle also extends to graduates and apprentices.

The consultation on the structure at Grade 11 and above resulted in some changes to proposed grading, line management arrangements and numbers of posts. Importantly, we are proposing that the Council strengthens its capacity to support employees on an ongoing basis with the inclusion of additional capacity to lead on employee welfare issues.

We received a relatively small number of comments on the "How To" guide which sets out some of the key processes which will apply throughout the recruitment phase. No changes to the guide have been made as a result of the consultation.

All comments received in response to the consultation, from both staff and trade unions, including suggestions about alternative structures, have been considered by Management Team

Question 3 – Analysing Impact

Could your proposal potentially disadvantage particular groups sharing any of the protected characteristics and if so which groups and in what way?

It is particularly important in considering this question to get to grips with the actual practical impact on those affected. The decision-makers need to know in clear and specific terms what the impact may be and how serious, or perhaps minor, it may be – will people need to walk a few

metres further to catch a bus, or to attend school? Will they be cut off altogether from vital services? The answers to such questions must be fully and frankly documented, for better or for worse, so that they can be properly evaluated when the decision is made.

Could your proposal potentially impact on individuals sharing the protected characteristics in any of the following ways:

- Could it discriminate unlawfully against individuals sharing any of the protected characteristics, whether directly or indirectly; if so, it must be amended. Bear in mind that this may involve taking steps to meet the specific needs of disabled people arising from their disabilities
- Could it advance equality of opportunity for those who share a particular protected characteristic? If not could it be developed or modified in order to do so?
- Does it encourage persons who share a relevant protected characteristic to participate in public life or in any activity in which participation by such persons is disproportionately low? If not could it be developed or modified in order to do so?
- Will the proposal contribute to fostering good relations between those who share a relevant protected characteristic and those who do not, for example by tackling prejudice and promoting understanding? If not could it be developed or modified in order to do so? Please identify any findings and how they might be addressed.

The reductions in employee numbers will impact on individuals with protected characteristics as these individuals will form part of our workforce. However, the proposals will not discriminate unlawfully and, where appropriate, mitigating actions are being taken to ensure that the recruitment process reflects the needs of any individuals with a protected characteristic and therefore advance equality of opportunity.

We have used sources including consultation feedback and dialogue with the equality and cohesion team to consider impact.

Issues discussed included:

- Ability of employees to apply for posts on a part time basis
- Impact on employees with other flexible working arrangements
- Impact on disabled employees who have reasonable adjustments in place
- Impact of reductions at Grade 13
- Impact of enabling WorkStart and apprentices to apply for posts within the new structure and relationship with others on fixed term contracts
- Impact on employees on non LCC terms and conditions
- Support for people throughout the transformation process
- How we will share information with employees
- How we will support employees
- How we will support managers

Ability of employees to apply for posts on a part time basis and impact on employees currently in part time posts: Employees will be able to request flexible working upon appointment to a post in the new structure. Requests will be considered using our existing arrangements for considering flexible working. We need to acknowledge that this may result in uncertainty and could potentially detriment some employees' particular women and those with caring responsibilities.

<http://lccintranet2/corporate/web/?siteid=4934&pageid=25064&e=e>

Impact on employees with other flexible working arrangements e.g. V Time, job share etc. (this may be because of caring responsibilities). Existing policies will continue to apply.

Impact on disabled employees who have reasonable adjustments in place. Reasonable adjustments would have to be negotiated when an appointment is made but this may again lead to uncertainty as to whether the adjustments can be carried forward in to the new role.

Impact of reductions at Grade 13: Analysis has highlighted a

disproportionate impact on male employees at grade 13. However, in the context of the workforce as a whole, numbers are low. Employees at Grade 13 will have the opportunity to apply for posts 2 grades up and 1 grade down.

Impact of enabling WorkStart and apprentices to apply for posts within the new structure and relationship with others on fixed term contracts: We have changed our proposals to ALL employees with 12 months or more continuous service to apply in to the new structure

Impact on employees on non LCC terms and conditions: Our approach will ensure all employees within scope are on the same terms and conditions after the restructure.

It is not considered that the new structure will have an adverse impact on service users as the new organisation is designed to continue to deliver high quality services, including to service users with protected characteristics

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Question 4 –Combined/Cumulative Effect

Could the effects of your decision combine with other factors or decisions taken at local or national level to exacerbate the impact on any groups?

For example - if the proposal is to impose charges for adult social care, its impact on disabled people might be increased by other decisions within the County Council (e.g. increases in the fares charged for Community Transport and reductions in respite care) and national proposals (e.g. the availability of some benefits) . Whilst LCC cannot control some of these decisions, they could increase the adverse effect of the proposal. The LCC has a legal duty to consider this aspect, and to evaluate the decision, including mitigation, accordingly.

If Yes – please identify these.

Yes

Unemployment levels of young people, over 50s women and disabled people. These factors may deter VR applications so that individuals within these groups of staff could be displaced , and are therefore at risk, as a result of the transformation process, although this risk is not considered to be more significant than for any staff who do not have protected characteristics.

Current austerity measures and budget reduction for public services are reducing the scope for alternative public sector employment, therefore staff who are not appointed to posts in the new structure may struggle to find alternative employment.

Question 5 – Identifying Initial Results of Your Analysis

As a result of your analysis have you changed/amended your original proposal?

Please identify how –

For example:

Adjusted the original proposal – briefly outline the adjustments

Continuing with the Original Proposal – briefly explain why

Stopped the Proposal and Revised it - briefly explain

As a result of the consultation the original proposals – both the principles for appointment and structure – have been adjusted in several respects. In terms of the impact on people with protected characteristics the Equality Analysis has informed decisions taken about how the recruitment process will accommodate these groups of individuals to ensure that the recruitment process is fair – see section 6

Question 6 - Mitigation

Please set out any steps you will take to mitigate/reduce any potential adverse effects of your decision on those sharing any particular protected characteristic. It is important here to do a genuine and realistic evaluation of the effectiveness of the mitigation contemplated. Over-optimistic and over-generalised assessments are likely to fall short of the “due regard” requirement.

Also consider if any mitigation might adversely affect any other groups and how this might be managed.

Disability including Deaf people: We will make adjustments for disabled employees wherever practicable through the process. Support arrangements may be of particular value in assisting disabled and Deaf employees to fully explore their options and engage with the process. Previous smaller scale restructures have however resulted in significant reductions in the number of disabled and Deaf employees in the workforce.

Pregnancy or being on maternity leave: The new structure impacts on all employees within the county council. The tight timescales at key points in the recruitment process could disadvantage some people so we have taken steps to help people understand and plan for the process in advance. Specific arrangements will need to be made to ensure that employees on maternity leave are kept fully informed and accommodated within the process.

Age

Work is being undertaken by Your Pensions Service to highlight new options available

For younger employees we have now accommodated apprentices and graduates in the process.

We are supporting opportunities for young people, NEET for example, to gain employment

Generally

There will be equality of opportunity in the new structure, created through the use of more generic profiles and reducing unnecessary barriers to appointment (e.g. reviewing the necessity for qualifications)

We are providing opportunities for people to apply to roles at grades other than their current grade

Our existing policies regarding flexible working will continue to apply.

We will support for people throughout the transformation process: We have established a range of opportunities under the banner of "supporting your future"

<http://lccintranet2/corporate/web/?siteid=7079&pageid=44322&e=e>.

In our recruitment processes we will:

- Communicate our intended timescales well in advance
- Publish information setting out how the process will work (The 'How to' Guide)
- consider how we support people in being able to access the information required to make informed choices and in making the application itself.
- Ensure we have accessible venues for interview and where possible provide alternatives for those who are unable to attend because of disability, maternity leave etc.
- Provide information to support managers in their role (The Managers Guide)
- Maintain contact with the Equality and Cohesion Team

Question 7 – Balancing the Proposal/Countervailing Factors

At this point you need to weigh up the reasons for the proposal – e.g. need for budget savings; damaging effects of not taking forward the proposal at this time – against the findings of your analysis. Please describe this assessment. It is important here to ensure that the

assessment of any negative effects upon those sharing protected characteristics is full and frank. The full extent of actual adverse impacts must be acknowledged and taken into account, or the assessment will be inadequate. What is required is an honest evaluation, and not a marketing exercise. Conversely, while adverse effects should be frankly acknowledged, they need not be overstated or exaggerated. Where effects are not serious, this too should be made clear.

The proposal is necessary to help enable the Council to achieve savings targets of £300m and ensure the organisation has appropriate, clear leadership and management moving forward. By reducing our costs of leadership and management we are better placed to safeguard front line service delivery to residents of Lancashire.

Question 8 – Final Proposal

In summary, what is your final proposal and which groups may be affected and how?

Our final proposal is to proceed with the new organisation structure as proposed to Cabinet on the basis of the recommended principles for appointment.

Question 9 – Review and Monitoring Arrangements

Describe what arrangements you will put in place to review and monitor the effects of your proposal.

Equality indicators December 2013 taken from our Equality Report published January 2014

Indicator	% in December 2012	% in December 2013
BME employees in the LCC workforce	3.90%	3.29%
Disabled employees in the LCC workforce	2.48%	2.21%

Women in the LCC workforce	73.2%	73.48%
BME employees is senior LCC posts	3.12%	3.00%
Disabled employees in senior LCC posts	3.01%	3.11%
Women in senior LCC posts	53.42%	55.72%

These indicators will continue to be used as a basis for monitoring impact within our equality report.

Equality Analysis Prepared By Dave Carr

Position/Role Head of Corporate Strategic Projects

Equality Analysis Endorsed by Chief Officer: Ian Young County Secretary and Solicitor

Decision Signed Off By

Cabinet Member/Chief Officer or SMT Member

Please remember to ensure the Equality Decision Making Analysis is submitted with the decision-making report and a copy is retained with other papers relating to the decision.

Where specific actions are identified as part of the Analysis please ensure that an EAP001 form is completed and forwarded to your Directorate's contact in the Equality and Cohesion Team.

Directorate contacts in the Equality & Cohesion Team are:

Karen Beaumont – Equality & Cohesion Manager

Karen.beaumont@lancashire.gov.uk

Contact for Adult & Community Services Directorate

Jeanette Binns – Equality & Cohesion Manager

Jeanette.binns@lancashire.gov.uk

Contact for Environment Directorate, Lancashire County Commercial Group and One Connect Limited

Saulo Cwerner – Equality & Cohesion Manager

Saulo.cwerner@lancashire.gov.uk

Contact for Children & Young Peoples Directorate

Pam Smith – Equality & Cohesion Manager

Pam.smith@lancashire.gov.uk

Contact for Office of the Chief Executive and the County Treasurer's Directorate

Thank you