



Notice is hereby given that an **EXTRAORDINARY MEETING** of the **COUNCIL OF THE BOROUGH OF GOSPORT** will be held in the **TOWN HALL, GOSPORT** on **WEDNESDAY the EIGHTH DAY of JUNE 2016 AT 6.00PM AND ALL MEMBERS OF THE COUNCIL ARE HEREBY SUMMONED TO ATTEND TO CONSIDER AND RESOLVE THE FOLLOWING BUSINESS –**

1. To receive apologies from Members for their inability to attend the Meeting.
2. To consider any Mayor's Communications.
3. To receive Deputations in accordance with Standing Order No 3.5 and to answer Public Questions pursuant to Standing Order No 3.6, such questions to be answered orally during a time not exceeding 15 minutes.

(NOTE: Standing Order No 3.5 requires that notice of a Deputation should be received by the Borough Solicitor **NOT LATER THAN 12 O'CLOCK NOON ON MONDAY, 6 JUNE 2016** and likewise Standing Order No 3.6 requires that notice of a Public Question should be received by the Borough Solicitor **NOT LATER THAN 12 O'CLOCK NOON ON MONDAY, 6 JUNE 2016**).

4. Questions (if any) pursuant to Standing Order No 3.4

(NOTE: Members are reminded that Standing Order No 3.4 requires that Notice of Question pursuant to that Standing Order must be received by the Borough Solicitor **NOT LATER THAN 12 O'CLOCK NOON ON TUESDAY 7 JUNE 2016**).

5. Proposal for Shared Management

To consider the report of the Leader of the Council in connection with the above.

IAN LYCETT
CHIEF EXECUTIVE

TOWN HALL
GOSPORT

31 May 2016

FIRE PRECAUTIONS

FIRE PRECAUTIONS

(To be read by the Mayor if members of the public are present)

In the event of the fire alarm being activated, please leave the Council Chamber and Public Gallery immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

This meeting may be filmed or otherwise recorded. By attending this meeting, you are consenting to any broadcast of your image and being recorded.

MEMBERS ARE REQUESTED TO NOTE THAT:

(1) IF THE COUNCIL WISHES TO CONTINUE ITS BUSINESS BEYOND 9.30PM THEN THE MAYOR MUST MOVE SUCH A PROPOSITION IN ACCORDANCE WITH STANDING ORDER 4.11.18

(2) MOBILE PHONES SHOULD BE SWITCHED OFF OR SWITCHED TO SILENT FOR THE DURATION OF THE MEETING

AGENDA ITEM NO. 05

Board/Committee:	COUNCIL
Date of Meeting:	WEDNESDAY 8 TH JUNE 2016
Title:	PROPOSAL FOR SHARED MANAGEMENT
Author:	THE LEADER OF THE COUNCIL, COUNCILLOR MARK HOOK
Status:	FOR DECISION

Purpose

To consider proposals to share management in order to meet the significant financial challenges facing this Council.

Recommendation

Council agree subject to Portsmouth City Council confirming agreement to the shared management arrangements set out in this report :-

1. That the posts of Chief Executive (post no. CE1); Borough Solicitor and Deputy Chief Executive (post no. LA1); and Borough Treasurer (post no. FS4) are made redundant on 30 September 2016;
2. That the shared management of Housing Services as set out in paragraph 3.5 of this report commences on 13 June 2016;
3. That the shared management of Economic Prosperity, Tourism and Culture commences on 1 July 2016
4. That the shared management of Personnel commences on 1 October 2016 and Council notes that the post of Head of Personnel (post no) will be made redundant on 30 September 2016;
5. That the shared management of Pay & Central Services commences on 1 November 2016 and Council notes that the post of Head of Pay & Central Services will be made redundant on 31 October 2016;
6. The financial details of the redundancies referred to in Recommendations 1 and 5 as set out in Table 1 of Appendix B;
7. To enter into an agreement with Portsmouth City Council under Section 113 of the Local Government Act 1972, and all other relevant powers, to formalise the shared management arrangements;
8. To delegate authority to Chief Executive in consultation with the Leader of the Council to approve the final terms of the agreement referred to in 7 above.

1 Background

- 1.1 The system that funds Local Government is undergoing a fundamental review. Grant Support from Central Government in the form of Revenue Support Grant is being drastically reduced.

- 1.2 Councils will receive their funding from Council Tax and Business Rates and Central Government is committed to a complete national overhaul of business rates and the uncertainty of the last 5 years is set to continue.
- 1.3 Councils, particularly Boroughs/Districts, are finding themselves under increasing financial pressure and are struggling to maintain services and continue to improve the lives of their residents.
- 1.4 Members will be aware from previous Medium Term Financial Strategies that funding from Central Government in the form of Revenue Support Grant to Gosport Council has been reduced by £2,113,000 from £3,289,000 in 2013/14 to £1,176,000 in 2016/17. Currently it is projected this Council needs to find savings of another £1,500,000 by 2019/2020, with £666,000 required for the next financial year 2017/18.
- 1.5 With the support, hard work and commitment of our staff, it has been possible, to date, to continue to maintain services and deliver many improvements within our Borough, such as the Leisure Centre, the Splash Park, the Regeneration of Rowner and the Daedalus Enterprise Zone.
- 1.6 This has been made possible by the implementation of many efficiency savings. Senior management has been reduced by 60% and staff by 30%. We have developed individual shared services with Partners such as Building Control, Environmental Health, Crematorium and Coastal Partnership. We have cut all unnecessary spending and waste, increased income where we can and have prioritised frontline services to our residents but now face even further significant budget reductions.
- 1.7 The future of Local Government is no longer certain. We now have the Solent Local Enterprise Partnership (SLEP) who have responsibility for the distribution of Government funding for economic development. Devolution of powers from Central Government is upon us and there is much talk by Central Government of Local Government restructuring and Unitary Councils with Hampshire County Council set to consult on various options for Local Government. Many Councils are struggling financially and it is clear some will not be able to continue to operate.
- 1.8 I know all Members of this Council believe strongly that Gosport is best served by this Council, delivering local services for our residents. If we are to continue as a separate Council with its own identity, we need to make some fundamental decisions and changes.
- 1.9 Financially we cannot continue as we are in the medium term and we need to find a way to continue to deliver good quality services within available reducing budgets. This is the only way we can secure the

sovereignty of Gosport Borough Council and ensure that we manage change rather than having it imposed upon us.

2 The Proposal

- 2.1 We have been fortunate in Gosport to have been served by such a dedicated and hard-working Senior management team who work extremely long hours to deliver for this Borough.
- 2.2 Working closely with them we have, in my view, done everything we can to reduce costs and increase efficiencies, yet still face a huge financial challenge over the coming three years.
- 2.3 Quite simply, we need to be radical if Gosport Borough Council is to survive and continue to serve our residents.
- 2.4 I am, therefore, proposing that we move down a route of sharing senior levels of management. This is becoming popular and a number of Councils across the Country are doing this, with Havant and East Hampshire being a local and successful model.
- 2.5 Having considered options available to us, I propose that we share management with Portsmouth City Council. The City Council is our nearest neighbour (our Town Hall and Portsmouth Civic Offices are within 1 mile of each other) and Portsmouth shares many of our challenges.
- 2.6 Gosport and Portsmouth share a Naval heritage and Portsmouth Harbour and we have worked closely with them over many years; the Portsmouth Harbour Renaissance, Dockyard closure, Port Health Scrutiny and on many Partnerships, including Partnership for Urban South Hampshire and the SLEP. The City has areas of deprivation like ourselves and understands the many issues that face us as a Council.
- 2.7 I would stress that I am proposing shared management only. I am not proposing now or in the future a political merger. Gosport Borough Council will remain an independent Council. We will retain our identity, our sovereignty and our Town Hall.
- 2.8 Experiences in other shared management arrangements have shown that sharing of three layers of management is possible and this should be our aim. This would mean, in Gosport, sharing our Chief Executive, our three Chief officers, and Section Heads as and when appropriate.
- 2.9 Moving to this position would naturally take some time and we would assess each service separately. To begin with, in order to make the savings we need to make I propose that we move to the sharing of Chief Executive, Chief Officers and Section Heads posts that are

either currently vacant or where the officer has indicated acceptance of redundancy in these circumstances. A review of all services will then be undertaken over the next 12 months.

- 2.10 It is essential that, in any arrangement, Councillors in Gosport have access to Senior managers and at least one will be based in Gosport at all times. Shared Officers will, of course, be operating from both locations but Gosport/Portsmouth Councillors will not be expected to cross the harbour for meetings or to meet officers.
- 2.11 Frontline services such as Housing, Planning, and Benefits will have a senior Gosport based officer here at all times.
- 2.12 Experience across other Councils has shown a shared management arrangement can work very well for both Partner Councils and opens up significant possibilities for delivering transformational change to service delivery and drives considerable further future savings.

3 Staffing Implications

- 3.1 To move towards shared management, it will be necessary to make our Chief Executive, Borough Solicitor and Deputy Chief Executive and Borough Treasurer redundant. The third Chief officer post, Housing Services Manager, is currently vacant.
- 3.2 I would like to pay tribute to Ian, Linda and Julian. We have been extremely lucky to have had such dedicated people heading up our team of officers through such difficult times. It has been necessary to reduce staffing considerably across the Council and, because of their leadership and drive, this has been done with the minimum of fuss and despite the troubled times Local Government finds itself in, staff here at Gosport continue to do an excellent job.
- 3.3 It is crucially important that we start to make savings in this financial year given the necessary reductions we must find year on year in the future. It is therefore proposed that the three posts be made redundant from 30 September 2016. .
- 3.4 The current vacancy of Housing Services Manager will be covered by the proposed shared management arrangement. A review of Housing Services has been completed and as a result, a number of actions are underway and the Post of Head of Housing Operational Services has been made redundant.
- 3.5 Given the vacancies of Housing Services Manager and Head of Housing Operational Services, it is proposed that shared management of these two posts commence with Portsmouth City Council from Monday, 13 June 2016. This will enable a smooth transition from the current interim arrangements without detriment to the service.

- 3.6 Further details of the sharing of management in Housing Services will be reported to the next meeting of the Community Board.
- 3.7 The post of Head of Economic Prosperity, Tourism & Culture is currently vacant. Gosport and Portsmouth share many issues around Economic Prosperity and there are links with Tourism & Culture particularly with the strong connections across Portsmouth Harbour. It is proposed to move to the sharing of management for this section with Portsmouth City Council from 1st July 2016.
- 3.8 Experience has shown in other Councils who have entered shared management arrangements that it is beneficial to look first at support services. The Head of Personnel and the Head of Pay & Central Services have both indicated acceptance of redundancy in these circumstances and it is therefore proposed that both posts are made redundant and shared management is introduced with Portsmouth City Council, for Personnel from 1 October 2016 and Pay & Central Services from 1 November 2016.
- 3.9 Members will receive progress reports via the Service Boards and Full Council as necessary.
- 3.10 This is a radical proposal and will have implications for staff who perform a management function. We will work closely with Unison to ensure all staff are kept fully informed.
- 3.11 The sharing of management will help to secure the future of many staff here at the Town Hall who deliver the services for our residents.

4 Financial Implications

- 4.1 Shared management across Gosport and Portsmouth Councils will provide opportunities to create efficiencies, improve services, increase innovation and make substantial savings.
- 4.2 The proposal to share senior management is forecast to result in annual salary savings of £591,847 which would be offset by a recharge of £247,652 from Portsmouth City Council leading to a net annual saving of £344,195.
- 4.3 The costs of achieving this are forecast to total £1,029,015 and this is shown in Tables 1 and 2 in Appendix B and can be funded from the Revenue Financing Reserve the objectives of which include the funding of spend to save initiatives.
- 4.4 In accordance with the Council's Pay Policy Statement Council has to approve the financial details of the redundancies of the Chief Executive, Borough Solicitor and Deputy Chief Executive; Borough Treasurer and Head of Pay & Central Services including the sum

required, by Pension Regulations, to be paid to Hampshire Pension Fund for pension purposes in these circumstances, which are set out in Table 1 of Appendix B.

- 4.5 The Chief Executive has also exercised his delegated authority to make the post of Head of Housing Operational Services redundant on 30 April 2016; this post was identified as redundant under the Housing Services review recently undertaken. Table 3 of Appendix B contains the financial details of this redundancy. The delegated authority was exercised because of the extenuating personal circumstances of the post holder.

5 Legal Implications

- 5.1 The Council has power under Section 113 of the Local Government Act 1972 to enter into an agreement with Portsmouth City Council which will enable officers from Portsmouth City Council to undertake the management of staff and discharge functions of the Borough Council. Whilst such officers are dealing with Borough Council matters they are treated as being an officer of the Borough Council and will therefore be able to exercise those functions and powers delegated to officers in the Scheme of Delegation to Officers set out in Part 3, Schedule 10 of the Borough Council's Constitution.
- 5.2 Generally the Council has discretion as to which officers it needs to discharge its functions; however they are required to appoint one of their officers to each of the following roles; Head of Paid Service; Chief Finance Officer (Section 151 Officer); Monitoring Officer; Returning Officer; and Registration Officer.
- 5.3 The Chief Executive is currently the Head of Paid Service, the Borough Treasurer is currently the Section 151 Officer and the Borough Solicitor and Deputy Chief Executive is currently the Monitoring Officer, Returning Officer and Registration Officer. As each of the posts is to be made redundant it will be necessary for the Council to appoint officers to each of these roles. This will also be covered in the agreement with Portsmouth City Council and Council will need to formally make these appointments before 30 September 2016.
- 5.4 The Council has the power to make the redundancy payments which are in accordance with its policies.

6 Risk Assessment

- 6.1 The financial future of Local Government is bleak and Local Government across England may well look completely different in ten years.
- 6.2 We have, over the past decade, implemented efficiencies, shared

services, increased income and cut costs wherever and whenever it was possible to do so. Despite this we are faced with still being required to find substantial savings on the next three financial years.

- 6.3 If we do not act now to bring about transformational change, it is likely that, in a few years' time, we find we do not have sufficient resources. The consequences of this will be either a radical and unacceptable reduction in service provision or Gosport Borough Council being forced to merge with another Council and Gosport losing its identity.
- 6.4 Shared management, beginning with the Chief Executive and Chief Officers has been shown to deliver major savings and service improvements. This type of arrangement is becoming increasingly common and good practice is available to help steer the process.

7 Conclusions

- 7.1 The proposals contained in this report are radical but necessary. The residents of our Borough are best served by a local Council which understands the challenges and opportunities that face the area.
- 7.2 The financial pressures placed on us mean we must explore and deliver our services in more efficient and effective ways. Only transformational change will allow this Council to continue to serve our Borough.
- 7.3 I would stress once again that the proposals in this report deal only with the sharing of management; a collaboration at officer level only. I am not proposing a political merger. Gosport Borough Council will remain an independent Council operating from Gosport for Gosport people.

Crime and Disorder:	N/A
Equality and Diversity:	See attached EIA, Appendix B The Council's Redundancy Policy applies to all Council staff, ensuring fairness and consistency of approach.
Service Improvement Plan implications:	N/A
Corporate Plan:	N/A
Risk Assessment:	See above
Background papers:	Pay Policy Statement 2016/2017; Redundancy Policy
Report author/ Lead Officer:	Councillor Mark Hook, Leader of the Council
APPENDIX A	Projected Annual Salary Savings

<p>APPENDIX B</p>	<p>Not for publication by virtue of paragraphs 1 and 3 of Part 1 of Schedule 12A of the Local Government Act 1972</p> <p>Exempt Info – Public Interest Test The Appendix identifies specific individuals and information regarding their personal financial affairs rather than the Council overall financial affairs. The public interest in the Council’s overall affairs can be met in other ways without releasing such personal information and therefore the public interest in maintaining the privacy of personal information outweighs the public interest in the Council’s financial affairs.</p>
<p>APPENDIX C</p>	<p>Equality Impact Assessment</p>

PROJECTED ANNUAL SALARY SAVINGS			APPENDIX A
			Salary (including oncosts)
CORPORATE MANAGEMENT			£
CE 1	Chief Executive		128,285
LA 1	Borough Solicitor and Deputy Chief Executive		100,947
FS 4	Borough Treasurer		92,441
			321,673
CHIEF OFFICER SUPPORT			
LCS 2	PA/Customer Services Officer		43,426
FS 36	Senior Procurement Officer		29,607
LA 1B	Personal Assistant		23,511
			96,544
PAY & CENTRAL SERVICES			
FS 32	Head of Pay & Central Services		63,494
PERSONNEL			
CE 24	Head of Personnel		46,642
ECONOMIC PROSPERITY, TOURISM AND CULTURE			
PED 38	Head of Economic Prosperity, Tourism and Culture		63,494
			591,847
Less Portsmouth CC Management Charge			247,652
Projected Annual Saving			344,195

**EQUALITIES IMPACT ASSESSMENT
Screening Assessment Form**

Please refer to guidance notes when completing this form. Once complete, please return to Corporate Policy and Community Safety Section or phone ext 5695 for more assistance.

<p>Name of policy___/strategy___/function__x__ being assessed. Please ✓ what it is. Introduction of shared management arrangements between Gosport Borough Council and Portsmouth City Council consequent on need for significant budget reductions over the next three years.</p>
<p>1. Is this policy, strategy or function new _x_ or an existing_✓_ one? Please ✓ what it is.</p> <p>1a. Briefly describe the reasons for developing or reviewing this? Eg: change in legislation or requirements, results of consultation, part of a regular review cycle, etc. Despite cutting all unnecessary spending and waste, increasing income where possible and prioritising frontline services to residents in consequence of previous budget reductions over the last six years, the Council now faces even further significant budget reductions over the next three years following a fundamental review of the system of funding local government for the future.</p>
<p>2a. Describe the main aim or purpose of this item? Who will it benefit? Why is it needed? Sharing of management across the two Councils will provide opportunities to deliver transformational change to service delivery, increase innovation and make substantial savings. It helps to secure local service provision for Gosport people.</p>

3a. The Public Sector Equality Duty is part of the Equality Act 2010. The Duty requires the Council to have due regard to the following three aims:

- eliminate unlawful discrimination, harassment and victimisation;
- advance equal opportunities between people from different groups
- foster good relations between people from different groups.

Having due regard means considering how this policy, strategy or function has or will advance equal opportunities for each of the protected groups below.

3b Identify how this item demonstrates due regard to the three aims above for each of the protected groups below. (For marriage and civil partnership, legislation requires you only need to demonstrate how you would eliminate unlawful discrimination, harassment and victimisation)			
Protected characteristic	This item demonstrates due regard by: Describe how it furthers equal opportunities. You can cite examples of any disadvantage this item removes or minimises, how it meets the specific needs of any groups, how it encourages participation, promotes understanding or integration between groups	Describe any negative impact or potentially negative impact of this item for any group. For any negative impact identified, describe actions already taken to address it. Any planned actions must be identified in section 4.	List data sources/ evidence used to assess impact and whether this item furthers the aims of the Equality Duty. Insert links to data used where possible
All characteristics	<p>The reorganisation will result in redundancies, which will be dealt with in accordance with the Council's Redundancy and Redeployment Policy, which has already been equality impact assessed.</p> <p>Opportunities for reduced hours, redeployment, flexible or early retirement, will be fully considered in accordance with Council policies.</p> <p>Vacancies or changed roles are ring-fenced for those affected; personal characteristics are not relevant to the recruitment/selection process which is</p>		<p>The process is monitored throughout for fairness and compliance with the law, with professional HR advice being available at all stages</p>

	<p>conducted on the basis of suitability taking into account the requirements of the person specification/competencies and the ability to meet them.</p> <p>Consultation and communication with UNISON and staff will be undertaken throughout the process.</p> <p>Any service reviews which may follow will be the subject of full consultation and separately equality impact assessed.</p>		
Age	As indicated above, the process is inclusive of all regardless of personal characteristics.	The only potential negative impact related to age is in relation to payment of pension where there is a redundancy, which does not apply to anyone under age 55. This is governed by the Pension Regulations.	
Disability	As indicated above, the process is inclusive of all regardless of personal characteristics.	Any potentially negative impact is dealt with by making reasonable adjustments.	
Gender reassignment	As indicated above, the process is inclusive of all regardless of personal characteristics.		
Marriage and Civil Partnership	As indicated above, the process is inclusive of all regardless of personal characteristics.		

Pregnancy and Maternity	Staff on maternity leave are kept up to date with developments in their absence and their input to consultation is welcomed and encouraged.	Legislation exists, and is complied with, to protect those on maternity leave from any discrimination related to their pregnancy.	
Race (ethnic or national origin, colour, nationality)	As indicated above, the process is inclusive of all regardless of personal characteristics.		
Religion or Belief (and lack of belief)	As indicated above, the process is inclusive of all regardless of personal characteristics.		
Sex	As indicated above, the process is inclusive of all regardless of personal characteristics.		
Sexual Orientation	As indicated above, the process is inclusive of all regardless of personal characteristics.		
3c. Are there any other groups in addition to those above which could be impacted (e.g. socially or financially excluded) by this item? Please ✓ __yes __x__ no			

Group	This item demonstrates due regard by:	Describe any negative impact or potentially negative impact of this item for any group	List data sources/ evidence used to assess

			impact and whether this item furthers the aims of the Equality Duty

4. Please Identify any further actions you will take resulting from this assessment.

The impact of changes put in place will be monitored as they are programmed to ensure that there are no unintended consequences with the potential for discrimination.

Action	Officer Responsible	Completion date
An implementation plan and time frame for the programme of proposals will be developed following approval of the proposals	Chief Executive	August 2016

5. Do you have any additional comments? If so, please add.

6. Date of screening 25 th May 2016	Officer(s) completing assessment Kathy Inch, Head of Personnel	Section Date Approved
7. Name of Section Head – Kathy Inch	Date review completed – 25.5.16	