

EMPLOYMENT MATTERS COMMITTEE

13 SEPTEMBER 2012

BUDGET PROPOSALS AND IMPLICATIONS FOR STAFF

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Summary

This report covers current/new reviews and transfers and a summary of Employment Tribunals lodged.

1. Budget and Policy Framework

1.1 The staffing implications of budget reductions are a matter for this committee, which can decide on the policies and processes supporting any changes in staffing.

2. Background

2.1 The Employment Matters Committee on 18 July 2012 considered new reviews since 1 April 2011 and a summary of Employment Tribunals lodged.

2.2 The Committee on 29 February 2012 agreed that future reports include details of the transfer of staff to and from other employers and staffing changes under the Better for Less programme, this is set out from paragraph 3.8 onwards.

2.3 This report provides an update on the present position.

3. Summary of the present position

3.1 Current Reviews

The reviews are detailed in Appendix A. Progress on the reviews is set out below.

3.2 Balfour Centre

Cabinet on 12 June 2012 decided that the Balfour's services will be run by Medway Community Health Care for 6 months and all staff will be seconded to the organisation from 1 October 2012.

If this is successful, council staff working at the Balfour will be transferred to Medway Community Healthcare.

3.3 **MACLS – Closure of Green street site**

Consultation on the closure of the site ended on 13 June 2012. The original proposal was closure of Green Street, moving all staff to the Rochester site, therefore doubling up on Refectory staff and Caretakers. It was then decided to retain a site in Gillingham (48 Canterbury Street) and 3 counter proposals were received. A refectory at Gillingham was not viable however with many more learners based at Rochester there was capacity for both post holders to be based at Rochester. The caretakers' counter proposal included bringing the cleaning service in house and undertaking a more customer service led aspect of their role. TUPE was considered and resolved and informal consultation continues with the caretakers to finalise their new job profile incorporating various aspects of the counter proposals. All staff have now moved to either the Rochester site or 48 Canterbury Street.

3.4 **Restructure in Housing HRA (Housing Revenue Account)**

Following closure of the consultation period on the proposals to restructure the Housing Revenue Account (HRA), activity is now in progress to implement the agreed changes to the team structure. Implementation of the new structure will create 7 new posts and delete 7 existing posts. The new team structure would be better placed to deliver the HRA service, and respond to the feedback from recent tenants' satisfaction surveys. The proposed changes would be cost-neutral.

Selection interviews for appointment to the 7 new posts have now taken place. Five existing members of staff have been successfully appointed to the newly created vacancies. Unfortunately two members of staff were unsuccessful at securing a post within the new team structure. These two staff have been issued notice of redundancy and every effort will be made to redeploy them during their notice periods.

3.5 **Medway Telehealthcare Services**

Following the failed tender for the operation of Medway Control Centres engineering team within the Telehealthcare Service in June 2012, management have decided not to re-tender the operation.

A decision has been taken to restructure the service to enable it to meet current and future business demands as well as allowing future growth of both the Telecare and Telehealth divisions. This restructure will allow resilience within the team ensuring resources are allocated correctly with a greater emphasis on client liaison.

A one months consultation period commenced with staff and the Unions on 29 August. Unfortunately, this proposal puts two employees at risk of redundancy; however, these displaced staff will be given the opportunity to apply for new posts within the new structure.

It is proposed to implement the new structure with effect from 1 November 2012.

3.6 **Achieving Better for Less**

Consultation for phase 2 of the programme began on 23 April 2012 and ended on 23rd July 2012. During this phase of the programme we are implementing the shared customer contact and administration functions for phase 2 services. We are also implementing the new shared category

management and performance & intelligence teams for all services at the same time. The services affected by changes in this consultation are:

- Early Years Service
- Integrated Youth Support Service
- Commissioning & Strategy
- Older People Services
- Greenspaces and Heritage
- Festivals Arts Theatres and Events
- Parking
- Integrated Transport
- Traffic, Road Safety and Capital Projects
- Leisure Services
- Tourism
- Libraries
- Adult and Community Learning
- Children's Independent Safeguarding and Review team
- Community Interpreting Service
- Local Land Charges and Licensing
- RMI Exchequer (creditors and debtors)
- Customer First (switchboard and Community Interpreting Service only)
- Asset and Property Services
- Building and Design Services
- Housing Performance and Service Improvement
- Legal Services
- Performance and Management Information
- Research and Review
- Strategic Procurement

The change proposals that have been identified in relation to customer contact and administration, will have significant implications for existing management and staffing structures and will result in the reshaping of all council teams within scope, and will see some staff moving to newly created shared service teams.

Performance and Intelligence will be looking at the way we develop our strategies and how effectively we manage our performance and drive improvement across the council. The project will help reduce the number of strategies we have and focus on delivery of the improvements set out in those strategies. The proposed model will create a performance and intelligence hub for both of the council's directorates as well as a restructured central hub. This will affect all areas of the council that currently have performance management, service improvement, consultation and engagement activities.

Category Management will focus on the potential to achieve significant savings on our third party spend through more effective procurement and contract management. The first phase of this project will help us to fully identify those savings. In later phases we will work to deliver these savings. To help achieve this and deliver continued savings in the future we will be reviewing the council's current commissioning and procurement functions to deliver a category management approach through a central shared category management team working closely with specialist service teams. This new team will help us deliver and sustain efficiencies across every department that has a role in purchasing or commissioning services.

Furthermore, because of the impact of the customer contact, administration, performance and intelligence and category management functions moving out of the teams within the designated service areas, it will be necessary to consider how remaining specialist roles and functions are organised. The proposals for how this will be achieved have been formulated and are included as part of the overall consultation.

With a transformation programme on this scale, it is, unfortunately, inevitable that the size of the council's workforce will need to reduce. At the end of the consultation process we have a confirmed total affected population 157. Of these 42% of people been matched into roles within the new structures. The remaining staff will now be going through the application and selection process for other roles. We are supporting staff through this process, as we did in phase 1, by running a series of workshops in interviewing and application techniques.

3.7 Schools

All re-organisations last reported were finalised and effective from 1 September 2012. The September – December period traditionally has minimal redundancy consultations, and currently there are no school redundancy consultations starting in September. The optimum time for reorganisations in schools is linked to the end of the academic year, 31 August.

3.8 Transfers to and from the Council

A spreadsheet is attached at Appendix B.

3.9 CCTV Partnership

The legal formalities of the formation of the CCTV Partnership are due to be completed on 1 October 2012 and it is the Partnership's ambition to lead on radical changes by entering a new market and share the gain within the Partnership Authorities. It has therefore been necessary to restructure the business post transfer, which entails changes in the workplace.

Formal consultation with the staff and Trade Unions closed on 21 August. Whilst redundancies are proposed it is hoped that all staff will be able to find alternative posts within the Partnership therefore utilizing the skills and experience of employees within the Service. The proposed changes are to be effective from 1 October 2012.

3.10 Link Service Centres

On 29 November 2011, the Cabinet gave permission for a formal consultation process to take place with service users and staff about the proposed outsourcing of the Linked Service Centres – Robert Bean Lodge (62 employees), Platters Farm Lodge (53 employees) and Nelson Court (50 employees).

Benchmarking of Robert Bean Lodge, Platters Farm Lodge and Nelson Court against the independent sector demonstrated that the services were relatively expensive and that efficiencies could be achieved without compromising the quality of outcomes delivered by each service.

The decision was taken at Cabinet on 14 February 2012 to outsource the three Linked Service Centres and adopt the implementation plan as detailed

in the DIA. Once the tender evaluation process has concluded formal consultation with staff will commence.

3.11 **CAMHS (Child and Adolescent Mental Health Services) Tier 3 Service**

Medway Council currently employs four staff to work alongside the current health provider KMPT, in delivering Child and Adolescent Mental Health Services (CAMHS). Following a re-tendering process the Primary Care Trust has now appointed a new service provider (Sussex Partnership). The new provider will take over the service provision with effect from 1 September 2012. Since the announcement of the new service provider, one member of the Medway team, who was due to transfer under TUPE, has retired, leaving three members of Medway staff who will be transferring under TUPE with effect from 1 September.

3.12 **Mental Health Services**

The transfer of 57 staff to the Council was achieved on 1 February 2012. This was a transitional arrangement pending further proposals to Cabinet on options in June 2012. Cabinet on 12 June 2012 considered a number of options and decided to retain the service in Council management and to review the matter after a twelve month period, setting out the weightings on the advantages and disadvantages of any options put forward for future delivery of the service.

3.13 **Transfers to Academies**

Robert Napier, Glencoe Junior and Elaine Primary converted on 1st September 2012. St James VA are now scheduled for conversion to Academy status on 1 December 2012

School amalgamations taking place on 1 September are Barnsole Infants/Juniors, and Oaklands Infants/Juniors.

Other School transfers

The TUPE transfers into Napier Primary (6 x cleaners); Pilgrim (5 x cleaners) and Woodlands (3 x catering) took place on 1 August 2012.

3.14 **Stirling Centre**

Medway Council has agreed to enter into a development agreement with a new operator for the running of the Stirling Centre. As part of this agreement the new operator will be making significant investment into the updating of the building and facilities available to the public, whilst being able to utilise these for school use.

Discussions are ongoing with staff, Unions and King's School Rochester (the new provider) to transfer the 16 staff under TUPE regulations. The transfer is due take place on 1 October 2012

3.15 **Public Health**

Discussions have begun and a local public health transition plan is being produced collaboratively between Medway and the NHS. The plan will detail how the transfer of public health functions will be coordinated and managed between the sender and receiver organisation in April 2013.

The transfer of around 70 staff into Medway will be guided by the requirements of the TUPE regulations and/or the Cabinet Office "Staff

Transfers in the Public Sector Statement of Practice” (COSOP) guidance. The Human Resources functions of both Medway and the NHS are working together to effect a smooth transition of staff.

3.16 Deangate Ridge Golf Course

The contract with the provider of Golf Services to Deangate Ridge Golf Course (Foxy’s Golf Limited) was given notice to terminate on 6 August 2012. This was to ensure a more cost effective Service deliverable in house.

Two staff successfully transferred under TUPE regulations to the Council on 7 August 2012.

4. Support for Staff

4.1 The Council recognises that this is an unsettling time for everyone and is making every effort to support staff. In addition to the individual meetings with managers, the HR service is providing support for affected employees and wherever possible we will redeploy individuals into new roles.

4.2 The Council has also engaged Job Centre Plus to provide sessions on benefits advice; tax implications and financial advice.

4.3 The Council’s employee assistance provider (Care First) provides a free counselling and information line 24/7, 365 days a year. The Care First information line is managed by Citizen Advice Bureau trained advisers and can offer advice on a wide range of issues, which affect daily life such as employment, benefits, housing, debt etc. Care First has provided a set of learning sessions for managers in managing change.

4.4 We also encourage staff to talk to their trade unions to ensure that they get the necessary support. An Industrial Chaplain is also providing opportunities for staff to contact him for support.

4.5 There have been regular communications with all staff to keep them up-to-date with the budget proposals. The Chief Executive sends out regular e-mails and there have been articles in *The Headlines* (staff newsletter). A bespoke “Achieving Better for Less” website for communicating progress of the review to employees went live in October. There is also an employee consultation email address where staff can make their comments, suggestions for saving money and ask questions. Line managers have been encouraged to brief staff on a regular basis.

5. Risk management

5.1 The risks in relation to these changes relate to both the services and staff involved. For the purposes of this report it is important to focus on the risk to staff. In addition to the personal implications for employees there are also some risks in losing highly valued skills. Recruitment arrangements have been reviewed (for example, there is no recruitment to administrative posts) and every effort is made to redeploy staff with transferable skills. This will go some way to mitigate these risks.

5.2 There is always a risk that staff will exercise their right to appeal against their dismissal and to date 9 staff have done so.

5.3 There have been 20 (7 schools and 13 non-schools) Employment Tribunal applications lodged from January 2011 to date, where the Council has been a named Respondent. Seven of these claims related to redundancy dismissals. To date the Council has successfully defended all claims that have gone to a hearing.

5.4 There is delegated authority to the Assistant Director (Legal and Corporate Services) to authorise payment in respect of claims against the Council, in consultation with the relevant Director, where the payment does not exceed £5,000, and with the Chief Finance Officer and the relevant Portfolio Holder where the payment exceeds £5000 but does not exceed £10,000. This applies to limited cases where it is deemed to be more cost effective to reach a commercial settlement.

6. Financial and legal implications

6.1 The proposed redundancies are being carried out in accordance with the Council's reorganisation procedure, and formal consultation with the trade unions and staff has taken place.

6.2 The Council must ensure that the process for any proposed redundancies complies with the required statutory obligations to inform and consult employees both collectively and individually under Section 188 of The Trade Union and Labour Relations (Consolidation) Act 1992. The Council is also under a duty to inform the secretary of state under Section 193 of the above Act about proposed redundancies.

6.3 The process adopted must be in accordance with the Council's redundancy procedure and comply with the general principles of fairness to minimise the risk of successful unfair dismissal claims.

6.4 The costs of redundancy and early retirement are continually being evaluated. Full Council on 24 February 2011 agreed that £3 million of the General Reserve be earmarked as a contingency for severance and associated costs as part of the 2010/2011 accounts closure. Any redundancy costs in schools would not be a charge against the earmarked reserves and will be reflected in the Children and Adults Directorate revenue monitoring as a pressure. In some circumstances schools are liable for redundancy costs.

7. Diversity Impact Assessments

7.1 Service DIAs have been completed on the areas subject to reductions. The staffing DIA for the reductions agreed by Members and Directors in February 2011 was submitted to this Committee on 28 September 2011.

8. Recommendation

8.1 The Employment Matters Committee is asked to note:

- The present position.
- The support arrangements for staff.

Lead officer contact

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Background papers

Cabinet Report - Public Spending Reduction 29 June 2010

Employment Matters Committee 28 July 2010

Council Report 29 July 2010

Employment Matters Committee 16 September 2010

Employment Matters Committee 2 November 2010

Employment Matters Committee 7 December 2010

Cabinet Report on Budget 21 December 2010

Cabinet Report on Budget 27 January 2011

Employment Matters Committee 1 February 2011

Council Report 24 February 2011

Employment Matters Committee 16 March 2011

Employment Matters Committee 29 June 2011

Employment Matters Committee 28 September 2011

Employment Matters Committee 3 November 2011

Employment Matters Committee 18 January 2012

Employment Matters Committee 29 February 2012

Employment Matters Committee 11 April 2012

Cabinet Report on the Balfour Centre and Mental Health Services 12 June 2012

Employment Matters Committee 18 July 2012

APPENDIX A		SUMMARY OF REDUCTIONS					
NEW REVIEWS FROM 1 APRIL 2011							
DEPT	AREA	NO. OF POSTS	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED OR GOT POSTS WITHIN COUNCIL	
BSD	Member Services	1	Not required	Post deleted due to elections outcome	1	0	
	Member Services	1	9 Jun 11 for 30 days	No Change	1	0	
	Teenage Pregnancy	2	11 Apr 11 for 30 days	No Change	2	0	
	MACLS	1	31 Oct 11 for 10 days.	No Change	1	0	
	MACLS Closure of Green Street	3	14 May 12 for 30 days	Not yet known	0	3	
C&A	Youth Offending Team	3	14 June 11 for 30 days.	No Change	3	0	
	Medway Youth Service	2	17 May 11 for 30 days.	No Change	2	0	
	Youth House	1	6 June to 8 July 11	No Change	1	0	
	Home School Support	3	9 June to 11 July 11	No Change	1	2	
	Shalder House - Extra Care Service	12	15 Nov 11 for 30 days	No Change	3	9	
	Duke of Edinburgh Team - Youth	4	5 Dec 11 to 3 Jan 12	No Change	0	1	
RCC	Chatham World Heritage Team	1	31 May 11 for 30 days.	No change	0	1	
	Community Librarians and Acquisitions	1	15 July 11 for 30 days	No change	1	0	
	Housing HRA	7	26 May 12 for 30 days	No change	Not yet known	Not yet known	
RCC	Telehealthcare	3	29 Aug 12 for 30 days	Not yet known	Not yet known	Not yet known	
	Waste Services - Pest Control and Graffiti teams	1	28 Feb to 22 Mar 12	New machinery resulted in no need for redundancy	0	0	
Council wide	Better for Less Phase 1	524	4 July to 30 September 11	Phase 1 proposals were implemented	14	510	
	Better for Less Phase 2	570	23 April to 23 July 12	Not yet known	Not yet known	Not yet known	
TOTALS		1140			30	526	

APPENDIX B				
TRANSFERS IN SINCE 1 APRIL 2011				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE
RCC	CCTV	17	Partnership between Medway, Swale, Maidstone and Gravesham	01-Apr-12
	Medway Swale Estuary	1	Hosting arrangements moved from Kent to Medway	01-Feb-12
	Deangate Ridge Golf Course	2	From Foxy's Golf Limited	07-Aug-12
C&A	Hi Kent	2	Contract brought in house	01-Apr-12
	Mental Health Services	57	Contract brought back to Medway	01-Feb-12
	Public Health	70	National transfer to local authorities	01-Apr-13
Schools	Napier Primary	6	Cleaners transferring in to school	01-Aug-12
	Pilgrim	4	Cleaners transferring in to school	01-Aug-12
	Woodlands	4	Catering Staff transferring in to school	01-Aug-12
TOTAL		163		
TRANSFERS OUT SINCE 1 APRIL 2011				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE

	Stirling Centre	16	Transfer to new operator	01-Oct-12
C&A	Link Service Centres	165	Tendering process to commence	To be determined
	CAMHS Tier 3	3	Transferring to Sussex Partnership	01-Sep-12
	Balfour Centre	20	Initial secondment. If successful, transfer to Medway Community Healthcare	To be determined
SUB TOTAL		204		
Schools	Chatham Grammar Boys	160	Converted to an Academy	01-Apr-11
	Sir Joseph Williamson Mathematical	179	Converted to an Academy	01-Apr-11
	Rainham Mark Grammar	145	Converted to an Academy	01-Jul-11
	Cliffe Woods Primary	43	Converted to an Academy	01-Jul-11
	Hundred of Hoo	189	Converted to an Academy	01-Sep-11
	Chatham Grammar Girls	100	Converted to an Academy	01-Sep-11
	Thomas Aveling	152	Converted to an Academy	01-Sep-11
	Walderslade Girls	119	Converted to an Academy	01-Nov-11

	Greenacre	157	Converted to an Academy	01-Apr-12
	High Halstow Primary	29	Converted to an Academy	01-Apr-12
	All Faiths Primary	56	Converted to an Academy	01-Jun-12
	Chattenden Primary	41	Converted to an Academy	01-Jul-12
	Robert Napier	202	Converting to an Academy	01-Sep-12
	Glencoe Junior	46	Converting to an Academy	01-Sep-12
	Elaine Primary	78	Converting to an Academy	01-Sep-12
	St James VA	42	Converting to an Academy	01-Dec-12
	SUB TOTAL FOR SCHOOLS	1738		
	TOTAL	1951		