

EMPLOYMENT MATTERS COMMITTEE

29 NOVEMBER 2012

BUDGET PROPOSALS AND IMPLICATIONS FOR STAFF

Report from: Tricia Palmer, Assistant Director, Organisational Services

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Summary

This report covers new reviews and transfers since 1 April 2011 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 13 September 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 Reviews from 1 April 2011

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

3.2 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. There was further consultation with the caretakers, which finalises their new job profile incorporating various aspects of the counter proposals. There are now discussions with the Caretakers about their core working hours, but separate from this process. All staff have now moved to either the Rochester site or 48 Canterbury Street.

3.3 Restructure in Housing HRA (Housing Revenue Account)

Following closure of the consultation period on the proposals to restructure the Housing Revenue Account (HRA), activity has now completed on the implementation of the agreed changes to the team structure. The new team structure is better placed to deliver the HRA service, and respond to the feedback from recent tenants' satisfaction surveys. The staffing changes were cost-neutral in terms of salary and on-costs.

Five existing members of staff have now been successfully appointed to the newly created vacancies. Unfortunately two existing members of staff were unsuccessful in securing alternative posts through the Council's redeployment service and both have now left the Council's employment.

3.4 Medway Telehealthcare Services

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

A decision was 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 put two employees at risk of redundancy; however, these displaced staff were given the opportunity to apply for new posts within the new structure resulting in one member of staff securing employment within the new structure and one redundancy effective from 1 November 2012.

The new structure was implemented with effect from 1 November 2012.

3.5 Achieving Better for Less

Consultation for phase 2 of the programme began on 23 April 2012 and ended on 23 July 2012. During phase 2 of the programme we are implementing the shared customer contact and administration functions. We are also implementing the new shared category management and performance & intelligence teams for all services at the same time.

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 model creates 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. The performance and intelligence hubs are due to go live on Monday 3 December.

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. This new team will help us deliver and sustain efficiencies across every department that has a role in purchasing or commissioning services. The Category Management model will go live on Monday 3rd December.

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 has been necessary to consider how remaining specialist roles and functions are organised. The proposals for how this will be achieved were formulated and included as part of the overall consultation and these will go live in phases according to service need.

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 had a confirmed total affected population 157. Of these 42% of people were matched into roles within the new structures.

The remaining staff underwent a process of applying for vacancies within the new structures. At the time of producing this update this process has still not been completed. However we have issued formal notification of redundancy to 11 employees who will now be considered for redeployment under the councils organisational change policy.

Phase 3

Consultation for phase 3 of Better for Less is due to start on Monday 3 December. Phase 3 includes the following service areas:

- Highways and Parking
- Safer Communities
- Customer First
- Waste Services

In the coming weeks the Organisational Change team will be working with the relevant service managers to identify the proposed new ways of working and the underlying team structures needed to realise this change.

Consultation meetings will be held with all staff within the affected population. As with previous phases the staff will be offered as much support and assistance as possible during the period including dealing with change workshops and interview and application skills.

3.6 Schools

All re-organisations last reported were finalised and effective from 1st September 2012.

The September – December period traditionally has minimal redundancy consultations. Currently we have two consultations that have commenced:-

- Saxon Way Primary – Pastoral team, Teaching Assistants and supervisors rationalisation of roles and hours to meet the needs of the School, to be implemented January/February 2013.
- Sherwin Knight Infants and Juniors Federation – re-organisation of the senior leadership team and office team, in preparation for the schools amalgamating in September 2013.

Details are attached at Appendix B

3.8 **Transfers to and from the Council**

A spreadsheet is attached at Appendix C.

3.9 **Balfour Centre**

On 12 June 2012, Cabinet agreed that the Director of Children and Adults would agree a secondment arrangement for the staff working at Balfour staff with Medway Community Healthcare to enable the co-production of a new community resource centre offering health and social care services. If successful, council staff working at the Balfour will be transferred to Medway Community Healthcare on 1 April 2013. Briefing sessions with staff and Trade Unions commenced shortly afterwards to answer questions on secondment and TUPE.

3.10 **CCTV Partnership**

In April 2012, 17 staff from 5 different organisations TUPE'd into the Control Centre of Medway Council on their existing terms and conditions of service.

Formal consultation with staff and Trade Unions commenced shortly afterwards on the formation of a CCTV Partnership. 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 was therefore necessary to restructure the business post transfer, which entailed changes in the workplace.

All 27 staff affected by the restructure were successful in gaining posts in the new Partnership thereby utilizing their skills and experiences within the Service.

The new Partnership came into effect on 1 October 2012.

3.11 **Linked 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. The Invitation to Tender for 5 organisations has been issued and the closing date is 5 December 2012. A recommendation to Cabinet will be made on 15 January 2013 with a view to transfer on 1 April 2013.

3.12 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. This was implemented.

3.13 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.

3.14 Transfers to Academies

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

School amalgamations took place on 1 September for Barnsole Infants/Juniors, and Oaklands Infants/Juniors.

3.15 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 completed with staff, Unions and King's School Rochester (the new provider) to transfer the 14 staff under TUPE regulations. The transfer took place on 19 October 2012.

3.16 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. It is anticipated that the staff transferring into Medway will be confirmed in December. It will then be possible to start completing the transfer documentation.

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.

There have been 20 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.

- 5.3 There is delegated authority to the Assistant Director (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. Due to exceptional circumstances one claim was settled for over £10,000.00.

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

Employment Matters Committee 13 September 2012

APPENDIX A		SUMMARY OF REDUCTIONS				
DEPT	AREA	NO. OF POSTS	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED OR GOT POSTS WITHIN COUNCIL
NEW REVIEWS FROM 1 APRIL 2011						
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	No redundancies due to change in working patterns /arrangements/sites for caretakers and refectory staff	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 11for 30 days	No change	1	0
	Housing HRA	7	26 May 12 for 30 days	No change	2	5
RCC	Telehealthcare	3	29 Aug 12 for 30 days	New structure implemented	1	2
	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 propoals were implemented	14 (13 Voluntary)	510
	Better for Less Phase 2	157	23 April to 23 July 12	Not yet known	Not yet known	Not yet known
TOTALS		727			33	533

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		

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