

EMPLOYMENT MATTERS COMMITTEE

18 APRIL 2013

BUDGET PROPOSALS AND IMPLICATIONS FOR STAFF

Report from: Tricia Palmer, Assistant Director, Organisational Services

Author: Paula Charker, Employee Relations Manager

Summary

This report covers new reviews and transfers since the last report 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 19 February 2013 considered new reviews since 1 April 2012 and Employment Tribunals lodged since the previous report.

2.2 The Committee on 29 February 2012 agreed that future reports include details of the transfer of staff to and from other employers; this is set out from paragraph 3.1 onwards.

2.3 This report provides an update on the present position.

3. Summary of the present position

3.1 Reviews

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

3.2 Integrated Prevention Service (IPS) Team

The Integrated Prevention Service was formed in July 2011 as a result of the de-ring fencing of central government grants and the need to bring together early help and prevention services in Medway. The team grew out of the old Family Intervention Programme, Youth Justice Prevention Service and the Targeted Youth Support programme and was established to work across a

wide spectrum of needs, from vulnerable young people through to chaotic families on the verge of social care interventions.

The introduction of new legislation in the provisions of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO) has required the Council to review the role of the current IPS team. The LASPO changes could result in an increased workload for the IPS team as more young people are dealt with by way of police cautions and conditional cautions as opposed to being prosecuted through the courts.

The proposal is to delete 8 posts from the existing team structure, and to create 5 full time and 4 part time posts. The proposal also contains plans to amend certain duties and reporting responsibilities for two other posts within the existing structure. Whilst the current proposals indicate that potentially 7 existing employees are at risk (1 x vacancy), it is anticipated that a number of these staff could secure new posts within the revised team structure. The formal consultation period commenced on Friday 15 March 2013, for a 30-day period and concluded on Monday 15 April 2013.

3.3 Achieving Better for Less

No change from last report

3.4 Schools

There are no current redundancy re-organisations recently commenced or ongoing in Schools. Two Schools are to amalgamate on 1 September 2013:-
Sherwin Knight Infants and Sherwin Juniors
Swingate Infants and Spinnens Acre Juniors

3.5 Transfers to and from the Council

A spreadsheet is attached at Appendix B.

3.6 Balfour Centre and Embedded Teams

Consultation has commenced on the transfer of staff working at the Balfour Centre to Medway Community Healthcare on 15 April 2013.

3.7 Linked Service Centres

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. Cabinet on 15 January 2013 decided to award the contract for Platters Farm Lodge to Strode Park Foundation. The transfer took place on 1 April 2013. Cabinet on 12 February 2013 decided to award the contract for Nelson Court and Robert Bean Lodge to the Agincare Group. The transfers are due to take place on 1 May 2013.

3.8 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.

3.9 **Transfers to Academies**

Woodlands Primary converted to an Academy on 1 April 2013. Skinner Street has just been confirmed to convert on 1 September 2013.

3.10 **Public Health**

The transfer of 64 Public Health staff from the NHS to Medway Council was completed on 1 April 2013.

3.11 **Traffic Operations**

The provider of traffic operations to Medway Council (AMEY), which involves monitoring traffic problems, delays and emergencies within Medway, was given notice to terminate with effect from 30 April 2013. This was to ensure a more cost effective Service could be deliverable in house. One individual is subject to TUPE regulations and consultation is ongoing with a view to transfer to Medway Council on 1 May 2013.

3.12 **Facilities Management Joint Venture with Norse**

Cabinet on 12 March 2013 agreed that a joint venture company should be set up. The joint venture company will carry out services like cleaning, building repairs, reception, caretaking and catering, which are often described as facilities management services (FM). A joint venture company is where the council is a partner with another organisation, to work together to get the best results out of the resources that are available. One of the best ways that a joint venture does this is not just by finding savings from the money used for FM services, but also by selling its services to others and making an income from what it does best.

A Project team has been set up and five events for employees took place between 26 March and 9 April 2013. Precise numbers of affected employees are yet to be determined but approximately 200 staff across the Council will be transferred to Norse. The planned implementation date is 1 June 2013.

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.

4.3 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. 598 employees have contacted Care First since 1 April 2012.

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). There is a bespoke "Achieving Better for Less" website for communicating progress

of the review to employees. 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 12 staff have done so. There have been a further two Employment Tribunal applications lodged since the last report to this Committee (19 February 2013), where the Council has been a named Respondent. One claim relates to unfair dismissal on the grounds of redundancy the other relates to unfair dismissal on the grounds of race. 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 (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

Paula Charker, Employee Relations Manager 01634 334078
Paula.charker@medway.gov.uk

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
Employment Matters Committee 29 November 2012
Employment Matters Committee 19 February 2013

APPENDIX A		SUMMARY OF REDUCTIONS					
NEW REVIEWS SINCE 1 APRIL 2012							
DEPT	AREA	NO. OF POSTS	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED OR GOT POSTS WITHIN COUNCIL	
BSD	Legal Services - Litigation Team	1	5 Nov 12 for 30 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	Integrated Prevention Service	8	15 Mar for 30 days	Not yet known	Not yet known	Not yet known	
RCC	Housing HRA	7	26 May 12 for 30 days	No change	2	5	
	Telehealthcare	3	29 Aug 12 for 30 days	New structure implemented	1	2	
Council Wide	Better for Less Phase 2	157	23 April to 23 July 12	Phase 2 proposals were implemented	22 (10 voluntary)	135	
	Better for Less Phase 3a	77	9 January to 7 February 2013	Not yet known	Not yet known	Not yet known	
TOTALS		256			26	145	

APPENDIX B				
TRANSFERS IN SINCE 1 APRIL 2012				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE
RCC	CCTV	17	Partnership between Medway, Swale, Maidstone and Gravesham	01-Apr-12
	Deangate Ridge Golf Course	2	From Foxy's Golf Limited	07-Aug-12
	Traffic Operations	1	Contract to be brought back in house	01-May-13
C&A	Hi Kent	2	Contract brought in house	01-Apr-12
	Public Health	64	National transfer to local authorities	01-Apr-13
Schools	Napier Primary	6	Cleaners transferred into school	01-Aug-12
	Pilgrim	4	Cleaners transferred into school	01-Aug-12
	Woodlands	4	Catering Staff transferred into school	01-Aug-12
TOTAL		81		
TRANSFERS OUT SINCE 1 APRIL 2012				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE
RCC	Stirling Centre	14	Transferred to new operator	01-Oct-12
C&A	CAMHS Tier 3	3	Transferred to Sussex Partnership	01-Sep-12
	Platters Farm Lodge	50	Transferred to Strode Park Foundation	01-Apr-13
	Robert Bean Lodge and Nelson Court	111	Transfer to Agincare Group	01-May-13
	Balfour Centre and Embedded Teams	25	Transfer to Medway Community Healthcare	15-Apr-13
Council	Facilities Management Joint Venture	200	Transfer to Norse Commercial Services	01-Jun-13
SUB TOTAL		403		
Schools	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	Converted to an Academy	01-Sep-12
	Glencoe Junior	46	Converted to an Academy	01-Sep-12
	Elaine Primary	78	Converted to an Academy	01-Sep-12
	St James VA	42	Converted to an Academy	01-Dec-12
	Woodlands Primary School	179	Converted to an Academy	01-Apr-13
	Skinner Street	45	Converting to Academy	01-Sep-13
SUB TOTAL FOR SCHOOLS		875		
TOTAL		1278		