

## **EMPLOYMENT MATTERS COMMITTEE**

**4 JULY 2013**

### **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 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 18 April 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**

An impact assessment of new legislation in the provisions of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO) highlighted the need for a restructure of the IPS team. The restructure proposals were cost neutral, and included the deletion of 8 existing posts and the creation of 5 full time IPS Practitioner posts and 4 part time IPS support worker posts. Following the conclusion of the consultation period, and the completion of a redundancy selection process, two existing staff members have now been

issued with notice of redundancy, and 5 existing IPS staff have been slotted into the newly created full-time posts.

Appointments have also now taken place for the newly created part-time posts of IPS support worker.

### **3.3 Capital Projects**

Following the introduction of Category Management with effect from 1 December 2012 (part of phase 2 of Better for Less) consideration has been given to whether the current capital projects team structures are providing the best delivery option. The Assistant Director Legal & Corporate Services has undertaken a detailed assessment of the functions and processes of the three previous teams, and a reorganisation was carried out to reduce this to one central team.

Each of the three teams was separately managed by a Head of Service, had a separate budget and was located in separate areas within Gun Wharf and the Civic Centre.

The rationale behind the proposal was for a centralised team with a matrix management shape that would build overall capacity and increase flexibility. This flexibility would allow the team to respond to the inevitable peaks and troughs of capital work, but also flexibility to move where the work was needed, whatever the capital project involved. There is a reducing overall education capital programme, and under the new working arrangements all capital schemes will require sign off by the Capital Programme Board prior to commencement, which could lead to a further reduction in capital projects which the authority is running.

The proposals included the deletion of a Service Manager role, and the creation of new capital project programme and project manager roles. All roles have been recruited to with the exception of the Head of Capital Projects and the review resulted in one voluntary redundancy at service manager level. All other affected staff have been successfully redeployed.

### **3.4 ICT**

ICT Technology is changing, requiring a different focus on ICT service delivery. For example, thin client technology requires different skills for supporting the desktop environment for our internal customers; there are new integrated teams in administration and customer services, requiring a greater need to share resources and collaborate more effectively, with increasing inter-dependency between systems. New working arrangements, such as the joint venture with Norse for facilities management, and the expansion of partnership working require different ways of working, sharing staff and services, and our role is to ensure that access to the technology required is provided, regardless of the service provider.

Nationally, there is the continued challenge of financial pressures, thus necessitating the need to ensure that technology provides a mechanism for Medway Council to reduce its overall revenue budget and we need to ensure that all of our assets are managed as efficiently as possible to gain maximum benefit at the lowest cost.

It is proposed that the Business Development Team will be disbanded and two new teams will be created; the Change team, and the Business Services

team. The managers of these teams will form, with the Head of ICT, Infrastructure Manager and Service Delivery Manager, the ICT Management team. The Service Delivery team will sustain the most change. The Application Support team will be reorganised to form two teams – an Application Support team and an Integration and Transition team.

There are currently 58 posts, 48 of which are filled and the proposed structure will also have 58 posts. There is only one post proposed to be changed for which there is no comparable grade in the new structure.

### **3.5 Communications and Marketing Team**

The rapidly changing nature of the council and its operating environment is the primary driver for a review of the council's Communications and Marketing Team structure. Consultation has begun on a proposal for introducing an account management model of working with customers.

Account managers will secure appropriate resources from across the team in response to the projects that the team is being commissioned to undertake. These resources would come from specialist areas from within the team (media and social media, news, digital, multimedia design) or from external suppliers.

Although budget reductions are not the primary aim of these proposals, the proposals, if adopted would create a reduction in posts from 19.3FTE to 18.5FTE. The 30 day consultation on these proposals ended on 20 June.

### **3.6 Medway Adult and Community Learning (MACLs) – Curriculum Management Team**

The Service was inspected by OFSTED in February 2013, and the subsequent OFSTED report graded the service as 'inadequate'. The Leadership and Management aspect of the service was highlighted by OFSTED as an important area in need of improvement. Consultation has begun on a proposal to restructure the curriculum team with a view to better positioning the service to respond to the key issues highlighted in the recent inspection OFSTED namely:

- ensure performance and standards rise across all sectors and that effective action is taken where there is not timely improvement
- enable curriculum staff to have clear roles and responsibilities that ensure a consistent approach to quality and planning across the service

The current proposals would provide for clearer job roles and well defined reporting lines with greater consistency of management approach across the service as a whole.

The current proposals include the deletion of 27 posts equivalent to 18.95 FTE and the creation of 26 new posts equivalent to 16 FTE. Consultation on these proposals closed on 24 June 2013.

### **3.7 Achieving Better for Less**

The change process for phase 3a has now been completed, and the proposals implemented. This resulted in 71 of the 77 people in the affected group successfully obtaining employment.

Consultation commenced on phase 3c on 16 May 2013. This phase predominantly affects the Sports Development 2012 Team, Leisure Services and Tourism. The proposal looks to reduce the number of service managers from three to two. There is limited impact on customer contact and administration during this phase.

### **3.8 Schools**

There are two redundancy re-organisations recently commenced in Schools, one being related to the amalgamation at Sherwin Knight Infants and Sherwin Juniors. The second redundancy re-organisation is at Napier Primary School, where there is no longer a need for learning behaviour mentors in the school as children require more specialised external interventions (see Appendix B).

The second school due to amalgamate on 1 September 2013 is Swingate Infants and Spinnens Acre Junior.

### **3.9 Transfers to and from the Council**

A spreadsheet is attached at Appendix C.

### **3.10 Balfour Centre and Embedded Teams**

The relevant staff transferred to Medway Community Healthcare on 15 April 2013.

### **3.11 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 in summer 2013.

### **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. This report is due to be considered at Cabinet on 3 September 2013.

### **3.13 Transfers to Academies**

Woodlands Primary converted to an Academy on 1 April 2013. Skinner Street has been confirmed to convert on 1 September 2013. Lordswood and Wayfield are due to convert to Academies on 1 November 2013.

### **3.14 Traffic Operations**

The Traffic Operations service, which involves monitoring traffic problems, delays and emergencies within Medway, was successfully brought back in house with effect from 1 May 2013, ensuring a more cost effective service.

### 3.15 **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.

157 staff across the Council transferred to Medway Norse on 1 June 2013. Discussions are ongoing regarding possible further transfers to Medway Norse from the Corn Exchange, the Leisure Centres, Bereavement Services and the Youth Centres.

## 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.

4.6 There is a new service, being offered by Medway Adult Learning, to anyone at risk of redundancy or who has been made redundant in the past six months. 'Skills for Redundancy' is a free service being delivered from Canterbury Street, Gillingham.

The service provides candidates with an initial 9hrs of guided learning and will include personal diagnostic assessments with regard to literacy, numeracy and ICT skills, personal strengths and weaknesses and areas for development.

The second stage, if required, is an additional 30 hours of guided learning covering areas such as CV writing, interview skills, mock interviews - with written feedback, personal and social skills, application process, researching and job searching skills, goal setting and personal progression

## **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 three Employment Tribunal applications lodged since the last report to this Committee (4 April 2013), where the Council has been a named Respondent. These claims relates to unfair dismissal on the grounds of redundancy with one Claimant citing differential treatment on the grounds of sex as being an additional factor in her selection for redundancy. To date the Council has successfully defended all claims that have gone to a hearing. There have been no compromise agreements since the last report.
- 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 and are reported to this Committee on a quarterly basis. 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.

## **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

Employment Matters Committee 29 November 2012

Employment Matters Committee 19 February 2013

Employment Matters Committee 18 April 2013





APPENDIX A		SUMMARY OF REDUCTIONS				
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
	MACLS - Curriculum Team	27	6 June 2013 for 21 days	Not yet known	Not yet known	Not yet known
	Communications and Marketing	19.3	20 May 2013 for 30 days	Not yet known	Not yet known	Not yet known
	ICT	22	21 June to 15 July (may be extended to 22 July)	Not yet known	Not yet known	Not yet known
C&A	Integrated Prevention Service	8	15 Mar 2013 for 30 days	5 staff have been slotted into posts within the new structure and 2 staff have been issued with notice of redundancy.	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	Phase 3a proposals were implemented	6 (5 voluntary)	71
	Capital Projects	13	21 March to 27 March 2013	New capital project structure implemented	1 (voluntary)	12
	Better for Less Phase 3c	2	16 May to 29 May 2013	Not yet known	not yet known	not yet known
<b>TOTALS</b>		<b>324.3</b>			<b>26</b>	<b>216</b>



APPENDIX B								
SCHOOLS	NO. OF		Teaching	Support	CONSULTATION (less than 20 at each Est) date started for 28 days	OUTCOME (consultation ended /no change to proposals /counter proposals)	NO. OF REDUNDANCIES number projected	NO.REDEPLOYED within Schools
	POSTS	FTE						
Sherwin Knight Federation	6	4.77		6	08.05.13	ongoing	3	1
Napier Primary	3	2.00		3	10.05.13	ongoing	2	
<b>TOTALS</b>	<b>9</b>	<b>6.77</b>		<b>9</b>			<b>4</b>	



<b>APPENDIX C</b>				
<b>TRANSFERS IN SINCE 1 APRIL 2012</b>				
<b>DEPT</b>	<b>AREA</b>	<b>NO. OF STAFF</b>	<b>DETAILS</b>	<b>EFFECTIVE DATE</b>
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
<b>TOTAL</b>		<b>100</b>		
<b>TRANSFERS OUT SINCE 1 APRIL 2012</b>				
<b>DEPT</b>	<b>AREA</b>	<b>NO. OF STAFF</b>	<b>DETAILS</b>	<b>EFFECTIVE DATE</b>
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	95	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	157	Transfer to Medway Norse	01-Jun-13
<b>SUB TOTAL</b>		<b>344</b>		
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
	AllHallows	30	Converting to Academy	01-Sep-13
	Saxon Way	55	Converting to Academy	01-Sep-13
	Kingfisher	47	Converting to Academy	01-Sep-13
	Lordswood	67	Converting to Academy	01-Nov-13
	Wayfield	52	Converting to Academy	01-Nov-13
	<b>SUB TOTAL FOR SCHOOLS</b>	<b>1126</b>		
	<b>TOTAL</b>	<b>1470</b>		