

EMPLOYMENT MATTERS COMMITTEE

26 SEPTEMBER 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 4 July 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 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.

The proposal was that the Business Development Team be disbanded and two new teams 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.

The proposals have now been implemented. There were two voluntary redundancies and two flexible retirements. All other employees were either slotted into or appointed to new posts.

3.3 Communications and Marketing Team

Consultation ended on 20 June regarding proposals for introducing an account management model of working within the Communications and Marketing team. The process of appointing to posts within the new structure has now been completed, with the majority of staff either slotting into a post within the new structure, or being successfully selected through an interview for a newly created post. Three voluntary redundancies were accepted as part the restructure and two employees were displaced through compulsory redundancy, one of who has now been successfully redeployed into another role within the Council.

3.4 Medway Adult and Community Learning (MACLs) – Curriculum Management Team

Following an inadequate rating from the Ofsted assessment carried out in February 2013, a restructure of the service was proposed. Consultation on the restructuring proposals ended on 24 June and the process of appointing to posts within the new structure has now been completed. The majority of existing employees within the Curriculum Management team were appointed into one of the newly created posts within the new team structure. Five voluntary redundancies were accepted as part of the restructure and three employees (2.5 FTE) were displaced through compulsory redundancy.

3.5 Day Care Provision at Robert Bean Lodge and Nelson Court

The residential elements of these Linked Service Centres transferred to Agincare on 1 September 2013. The Day Care Provision is now subject to a review of service which is due to be completed by 25 September 2013. This will affect Day Care and Transport staff.

3.6 Children's Social Care

A key strand of the Children's Social Care Improvement Plan is to develop the capacity and resilience of the service, by addressing the most urgent structural needs as well as supporting the creation of a professional social work environment which facilitates achievement of the highest professional standards.

Consultation commenced on 13 August regarding proposals to organise the service into four distinct areas namely; Triage and Assessment; Looked After Children; Court Protection and Proceedings; and Children in Need.

In addition, the proposal seeks to standardise social work roles across the whole service, providing professional development career paths from newly qualified social workers through to more senior management levels, linked to the college of social work's Professional Capabilities Framework. Investment in the service is targeted towards achieving the highest professional standards among social work staff, as well as addressing historic recruitment and retention concerns by positioning Medway as an employer of choice for social workers.

Whilst 25 existing posts are being proposed for deletion as part of this proposal, including the deletion of 9 posts within the current Outreach team, the proposal also includes the creation of 49 new social work and social work management posts which are more clearly defined in terms of their duties and responsibilities.

Consultation on these proposals ended on 13 September.

3.7 Youth Services (Watersports)

The Strand Water Sports Centre has been delivering water sport education to young people in the Medway area for more than twenty years. Over the years they have built up a good reputation as a water sport educator in sailing and canoeing. The centre has an extensive range of sailing craft and canoes that have been purchased over the years with the accompanying personal protection equipment required to, safely, undertake this activity.

It is proposed that the post of Bosun is deleted. The post predominantly covers maintenance and improvements to equipment, boats and facilities at both the Strand and Cliffe site, as well as setting out equipment prior to groups attending and assisting with the safety boat. These functions could be absorbed by other staff and the funding released from the savings of deleting the post could then be used by the Trust to re-invest in the future of the site. Consultation ended on 9 September 2013.

3.8 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 population successfully obtaining employment.

The change process for phase 3c has now been completed, and the proposals implemented. This resulted in one compulsory redundancy at service manager level.

3.9 Schools

Previous re-organisations and amalgamations reported upon were all completed on 31 August 2013. There are currently no re-organisation/redundancy processes starting, or being planned to start in Medway Schools.

3.10 Transfers to and from the Council

A spreadsheet is attached at Appendix C.

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 took place on 1 September 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 was considered at Cabinet on 3 September 2013 when it was agreed that the adult mental health social work team should remain in Council management and be reviewed again in 2016.

3.13 **Transfers to Academies**

Lordswood and Wayfield are due to convert to Academies on 1 November 2013.

3.14 **Housing – Outsourcing of Estate Management and Call Repairs service**

Cabinet recently agreed for officers of the Council to invite bids from external contractors for the delivery of the Housing Estate Management and Call Repairs services. The outsourcing of these services would have led to a TUPE transfer of 25 existing Council employees. Although initial interest in bidding for the contract was shown by a number of external service providers, some bidders withdrew from the process stating the high cost of the TUPE transfer of existing staff as the reason for their withdrawal. We understand this is mainly due to the cost of the Local Government Pension Scheme. The original procurement contract has now been withdrawn and a new service contract has been issued inviting bidders to tender solely for the Call Repairs contract (5 staff). It is currently proposed that the new service contract would commence in April 2014.

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.

155 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 the Green Street/Canterbury Street, Gillingham office.

The service provides candidates with an initial 9 hours 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 have been three Employment Tribunal applications lodged since the last report to this Committee (4 July 2013), where the Council has been a

named Respondent. The first claim relates to race discrimination, the second relates to unfair dismissal on the grounds of disability and the third 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 £5,000 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.

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

Employment Matters Committee 19 February 2013

Employment Matters Committee 18 April 2013

Employment Matters Committee 4 July 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 voluntary	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	20 existing staff have been appointed to posts within the new structure	5 voluntary and 3 compulsory redundancies	0
	Communications and Marketing	20	20 May 2013 for 30 days	No Change	3 voluntary and 1 compulsory	1
	ICT	22	21 June 2013 to 22 July	Most of the original proposals implemented with some minor changes post consultation	2 voluntary	0
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.	1	1
	Sure Start Nursery/Pre-school	15	7 May 2013 to 3 June 2013	No compulsory redundancies as most staff accepted term time only contracts, one voluntary redundancy accepted to avoid selecting for compulsory manager	1 voluntary	1
	Children's Social Care	25	13 August for 30 days	Not yet known	Not yet known	Not yet known
	School Organisation Team	4	14 May 12 for 28 days	No change	1 voluntary	2
	Watersports	1	8 August to 9 September 2013	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	Phase 3a proposals were implemented	6 (5 voluntary)	71
	Capital Projects	13	21 March to 27 March 2013	New structure implemented	1 voluntary	12
	Better for Less Phase 3c	2	16 May to 29 May 2013	New structure implemented	1 compulsory	1
TOTALS		385			26	221

APPENDIX C				
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
	Housing call repairs	5	Out to Tender	01-Apr-14
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	85	Transferred to Agincare Group	01-Sep-13
	Balfour Centre and Embedded Teams	25	Transferred to Medway Community Healthcare	15-Apr-13
Council	Facilities Management Joint Venture	155	Transferred to Norse Commercial Services	01-Jun-13
SUB TOTAL		337		
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	Converted to an Academy	01-Sep-13
	AllHallows	30	Converted to an Academy	01-Sep-13
	Saxon Way	55	Converted to an Academy	01-Sep-13
	Kingfisher	47	Converted to an Academy	01-Sep-13
	Lordswood	84	Converting to Academy	01-Nov-13
	Wayfield	56	Converting to Academy	01-Nov-13
	SUB TOTAL FOR SCHOOLS	1147		
TOTAL		1484		