

## **EMPLOYMENT MATTERS COMMITTEE**

**20 NOVEMBER 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.
- 1.2 Directors may agree to reorganisations within their departments subject to there being:
  - no significant service policy implications or clear departure from existing Council policies;
  - no expenditure in excess of budget;
  - no growth in net expenditure beyond the current year;
  - no changes affecting directors or assistant directors;
  - consultation with the Assistant Director, Organisational Services.

#### **2. Background**

- 2.1 The Employment Matters Committee on 26 September 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 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 was subject to a review of service, which was completed at the end of September 2013. The Deputy Director of Children and Adults Services is now considering options for the future. This will affect Day Care and Transport staff.

#### **3.3 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.

Formal consultation closed on 14 September 2013 and as no counter-proposals were received, work is now underway to implement the team structure changes contained in the original proposals.

The majority of the affected staff group have now been slotted into posts within the new structure. Whilst 25 existing posts were proposed for deletion as part of the proposal, including the deletion of 9 posts within the current Outreach team, the restructure has also created 49 new social work and social work management posts which existing staff are now being invited to apply for as these new posts represent opportunities for promotion.

The timetable for implementing the new structure has been put back until 1 April 2014 to allow time for considering service location changes as well as time for the introduction of new technology to assist with more mobile working practices. Staff will take up their new posts with effect from 1 April 2014.

#### **3.4 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 was proposed that the post of Bosun is deleted. However, following the failure of the procurement process identifying appropriate suppliers bidding for the opportunity to provide the service in the medium future, it has become necessary to conduct a more extensive review to minimise the impact of the budget overspend. It is now proposed, in addition to deleting the Bosun, to reduce the current operational requirements to seasonal working only (1 April – 30 Sept) and realigning the Co-ordinators grade to that of other Senior workers in the Youth Service. Consultation on this revised proposal ends 21 November 2013.

### **3.5 Commissioning and Traded Services**

Many of the original functions within Commissioning and Traded Services relate to school improvement services, and with the urgent need to raise standards in Medway schools, it is necessary to ensure full alignment of all the school improvement services by moving some functions out of the Commissioning and Traded Services arm of the service and into the School Improvement arm.

In addition, a major gap which exists at present for the service is that of monitoring and quality assurance. Therefore, the removal of some responsibilities for the service manager for Commissioning and Traded Services, would enable a refocusing of this role to address the priority need for quality assurance and monitoring.

The proposed changes would mean the deletion of the post of Head of School's Commissioning and Traded Services, and the creation of a new role of School Services Quality and Commissioning.

Consultation on these proposals closed on 23 October 2013, and some counter-proposals were received from staff requesting some key service improvement functions to remain within the Head of School's Commissioning and Traded Services role. These counter-proposals were accepted and the implementation of a revised structure has taken effect as at 1 November 2013. A ring-fenced selection process is now underway to appoint to the new Head of School's Commissioning and Traded Services role.

### **3.6 Balfour Centre**

Further to the transfer out of the direct care staff of the Balfour Day Centre to MCH, the support staff (kitchen, cleaning and transport) were seconded to MCH pending further decisions regarding the extent of the future service requirements. Initially, the secondment was for a six month period, which has now been extended to 31 March 2014.

It has now been agreed that the staff on secondment should also be transferred to MCH with effect of 1 April 2014. An application for admitted body status to the LGPS is currently being undertaken by MCH in relation to these staff. Consultation with staff on this transfer will be undertaken in due course.

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

As previously reported phases 3a and 3c have now been implemented. Two of the three proposed community hubs have now successfully gone live with the third and final hub to be live by middle of November.

There are currently no further stages to be started, or planned to start in relation to Better for Less at this point.

### **3.8 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.

### 3.9 Transfers to and from the Council

A spreadsheet is attached at Appendix C.

### 3.10 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.

### 3.11 Transfers to Academies

Lordswood and Wayfield converted to Academies on 1 November 2013. Gordon Infant and Juniors are due to convert to an Academy on 1 March 2014 and Bradfields Special School is due to convert to an Academy on 1 April 2014.

### 3.12 Housing – Outsourcing of Call Repairs service

A service contract has been issued inviting bidders to tender for the Call Repairs contract (5 staff). The terms of the tender include a provision for the existing 5 staff members to second the new service provider for an initial 9 month trial period, prior to transferring under TUPE to the contract provider with effect from 1 April 2015.

Shortlisting of bidders has now taken place and further selection processes are planned to take place in January 2014, with a report scheduled to go to Cabinet for approval in March 2014.

It is currently proposed that the new service contract would commence from July 2014.

### 3.13 Facilities Management Joint Venture with Norse

Discussions are ongoing regarding possible further transfers to Medway Norse from the Corn Exchange, the Leisure Centres, and the Youth Centres. Cabinet on 29 October 2013 agreed to establish a subsidiary company that is operational from 1 April 2014 for the following grounds maintenance services:

Greenspaces: Corporate contract and Partnership arrangement	General grounds maintenance services and seasonal bedding
Bereavement services contract	General grounds maintenance services and grave digging
Highways	General grounds maintenance services including hedge and tree cutting and traffic management
Medway Norse	General grounds maintenance including golfing greens

The service is currently contracted out to Quadron. This proposal may impact upon one Council employee on the client side.

## **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. Since 1 April 2013, 405 employees have contacted Care First; 18% of these contacts were due to changes at work or redundancy.
- 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 Canterbury Street, Gillingham office.
- 4.7 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.
- 4.8 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 no Employment Tribunal applications lodged since the last report to this Committee (26 September 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 £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.

## **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](mailto: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

Employment Matters Committee 26 September 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
	Commissioning and Traded Services	1	10 Oct 2013 for 14 days	Most of the original proposals implemented with some minor changes made following consultation	Not yet known	not yet known
	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	Majority of staff slotted into posts within the new structure. Vacancies at higher grades now being advertised to existing staff as an opportunity for promotion.	Not yet known	Not yet known
	School Organisation Team	4	14 May 12 for 28 days	No change	1 voluntary	2
	Watersports	3	22 October 2013 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	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
<b>TOTALS</b>		<b>388</b>			<b>26</b>	<b>221</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>81</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
	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
<b>SUB TOTAL</b>		<b>337</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	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	Converted to Academy	01-Nov-13
	Wayfield	56	Converted to Academy	01-Nov-13
	Bradfilelds	157	Converting to Academy	01-Apr-14
	Gordon Infants and Juniors	83	Converting to Academy	01-Mar-14
	<b>SUB TOTAL FOR SCHOOLS</b>	<b>1387</b>		
	<b>TOTAL</b>	<b>1724</b>		