

EMPLOYMENT MATTERS COMMITTEE

6 FEBRUARY 2014

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.
- 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 20 November 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 position since 1 April 2013.

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.

Following the end of formal consultation on 14 September 2013, all of the affected staff group were slotted into posts within the new structure. The restructure also created a number of new posts and interviews for these posts have now been completed. The new structures will come into effect from 3 February 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.

Consultation closed on 21 November 2013 regarding the proposal to delete the Bosun post and to operate the remainder of the service from the 1 April to 30 September. Comments on the proposal were received, but no changes were made. Staff were offered the opportunity to accept the seasonal contract, but declined. A total of three redundancies have been made and the final notice periods will expire on 31 March 2014. Alternative arrangements for the provision of the service beyond the 1 April are currently being explored.

3.5 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 was extended to 31 March 2014.

Currently discussions are taking place to confirm the ongoing service requirements and how this impacts on the remaining Medway staff. An application for admitted body status to the LGPS is ongoing by MCH in relation to the staff. Consultation with staff on this transfer will begin shortly.

3.6 **Human Resources**

Reduced funding will be a key driver for organisational change and we need to ensure that the HR function continues to be best placed to meet differing future business needs and provide services to the directorates to meet their budget pressures. Alongside this, the Star Chamber process has identified a requirement for a £200,000 overall saving on the salary budget for HR services for the financial year 2014/15. It is proposed to delete the two Service Manager posts and create one Head of HR Schools and one Head of HR and Organisational Change, move some of the resources from the Employee Relations team to report to the HR Business Partners, create a new HR Business Partner role for corporate projects and create a new Employee Relations Manager role.

The vacant posts of Senior HR Consultant Schools (PO3), Apprentice HR Schools, HR Support Officer Schools (C1) and Organisational Development Officer (PO1) are proposed for deletion. The overall reduction in posts is 5.

There are ongoing discussions with Kent County Council on joint working to provide HR support to schools to ensure resilience. Consultation began on 8 January 2014 for 30 days. The proposed implementation date is 3 March 2014.

3.7 **Category Management**

It is good practice to keep structures under review and this has been the case for category management since its inception. The additional revenue pressures the Council now faces has provided an impetus to take action in terms of reviewing and changing the way that category management support is provided to services and deliver savings in the order of £150,000. The Assistant Director has considered the outputs and outcomes of the team.

An assessment of the functions of the various levels of the team has been carried out. This has caused the Assistant Director to consider whether there is a better way of structuring this team and to question whether the Category Specialist Level is needed any longer.

It is proposed to delete 8 posts of Category Specialists, 6 of which are vacant, delete one vacant administrator post, increase the posts of Category Leads by 4 (making a total of 9 posts) and increase the posts of Procurement Support Officers by one (making a total of 5 posts).

Consultation began on 7 January 2014 for 30 days. The proposed implementation date is 1 April 2014.

3.8 **Sports Development**

Staff were consulted upon proposals to re-organise the structure within Medway sports centres in order to provide a more effective management system for the benefit of customers and staff. The key changes being having a centre manager and a deputy centre manager at all 6 leisure centres, deleting the 2 multi site manager posts. Fitness centres within Gyms were being separately managed which meant that centres were not being managed as a whole entity. Fitness management posts (x 2) to be deleted and fitness staff as well as Customer/membership advisors to report directly into the Deputy Centre manager. Consultation was from 18 December 2013 to 10 January 2014. The outcome was slotting for the multisite managers in the centre manager posts, one accepted voluntary redundancy and one person at

risk who is ring-fenced to apply for posts before advertising to the wider leisure service.

3.9 **Greening the Gateway**

Greening the Gateway (a partnership between Medway Council and Kent County Council) has been unable to secure further funding for the Greening the Gateway project past 31 March 2014. As a result of this one fixed term post of Director, Greening the Gateway is to be deleted from the establishment. Consultation has closed. The implementation date is 1 April 2014.

3.10 **Schools**

There are currently no re-organisation/redundancy processes starting, or being planned to start in Medway Schools.

3.11 **Transfers to and from the Council**

A spreadsheet is attached at Appendix C.

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 now taking place, 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.

3.14 **Transfers to Academies**

Gordon Infant and Juniors are on target to convert to an Academy on 1 March 2014. Bradfields Special School and Delce Junior School are due to convert to an Academy on 1 April 2014.

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, 461 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 Medway Adult Learning offer a service 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.

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 no Employment Tribunal applications lodged since the last report to this Committee (20 November 2013), where the Council has been a named Respondent. To date the Council has successfully defended all claims that have gone to a hearing.

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

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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
Employment Matters Committee 20 November 2013

APPENDIX A		SUMMARY OF REDUCTIONS					
NEW REVIEWS SINCE 1 APRIL 2013							
DEPT	AREA	NO. OF POSTS AFFECTED	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED OR GOT POSTS WITHIN COUNCIL	
BSD	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	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	
	HR	9	8 January 2014 for 30 days	Not yet known	Not yet known	Not yet known	
	Category Management	2	7 January 2014 for 30 days	Not yet known	Not yet known	Not yet known	
C&A	Integrated Prevention Service	8	15 Mar 2013 for 30 days	5 staff were slotted into posts within the new structure and 2 staff were 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 2013 for 30 days	Staff slotted into posts within the new structure. Vacancies at higher grades advertised as an opportunity for promotion.	0	25	
	Watersports	3	22 October 2013 for 30 days	Proposal to be implemented with effect of 1 April 2014	3	0	
RCC	Greening the Gateway	1	13 - 17 January 2014	Unable to secure further funding for the project.	1 compulsory	Not yet known	
	Sports centres	2	18 Dec 13 to 10 Jan 14	1 voluntary redundancy, other post is ringfenced and subject to interview as new posts created in the structure	1 voluntary	Not yet known	
TOTALS		135			21	28	

APPENDIX C			
TRANSFERS IN SINCE 1 APRIL 2013			
DEPT	AREA	NO. OF STAFF	EFFECTIVE DATE
RCC	Traffic Operations	1	Contract brought back in house
Public Health	Public Health	64	National transfer to local authorities
TOTAL		65	
TRANSFERS OUT SINCE 1 APRIL 2013			
DEPT	AREA	NO. OF STAFF	EFFECTIVE DATE
RCC	Housing call repairs	5	Out to Tender
C&A	Platters Farm Lodge	50	Transferred to Strode Park Foundation
	Robert Bean Lodge and Nelson Court	85	Transferred to Agincare Group
	Balfour Centre and Embedded Teams	25	Transferred to Medway Community Healthcare
Council	Facilities Management Joint Venture	155	Transferred to Norse Commercial Services
SUB TOTAL		320	
Schools	Woodlands Primary School	179	Converted to an Academy
	Skinner Street	45	Converted to an Academy
	AllHallows	30	Converted to an Academy
	Saxon Way	55	Converted to an Academy
	Kingfisher	47	Converted to an Academy
	Lordswood	84	Converted to Academy
	Wayfield	56	Converted to Academy
	Gordon Infants and Juniors	83	Converting to Academy
	Delce Juniors	55	Converting to Academy
	Bradfields	163	Converting to Academy
SUB TOTAL FOR SCHOOLS		797	
TOTAL		1117	