

## **EMPLOYMENT MATTERS COMMITTEE**

**17 APRIL 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 6 February 2014 considered new reviews since 1 April 2013 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 and attendance figures recently reviewed again. The review highlighted a number of key issues, primarily that both day services are operating at less than half of the commissioned capacity and attendance is declining. As a result the day care services will not be transferring to Agincare and service users are being reviewed with a view to offering alternative arrangements to meet their social care needs.

Formal consultation concluded on 28 March 2014. Six posts were compulsory redundant at Nelson Court with effect from 31 March 2014, and 7 posts will be made compulsory redundant at Robert Bean Lodge with effect from 30 April 2014.

The decision to re-provide day care services also affects the Transport Procurement Unit who provide transport services to both day care units. Formal consultation with the affected staff group concluded on 28 March 2013. It is proposed that 9 posts will be made compulsory redundant. The Council will make every effort to seek to find alternative employment for those employees at risk of redundancy and all affected employees were given the opportunity to access the redeployment service, and other support and assistance, early.

#### **3.3 Children's Social Care (Phase 2)**

Following the implementation of the Children's Social Care review (Phase 1) a review of the Family Worker role in CSC has now taken place. It is proposed to move the Family Worker role out of the existing Children's Social Care teams and to combine the work they undertake with the prevention support work undertaken within Medway Action For Families (MAFF) in order to create a new Early Help service.

The focus of the new Early Help service will be to support troubled families, and where possible, prevent the need for an escalation to the services of the Children's Social Care teams by early intervention work.

Consultation commenced with staff and Trade Unions on 26 February 2014. Useful comments on the proposals were received during consultation, but no significant changes were made to the original proposal. Implementation of the new structure is now taking place and it is anticipated that the majority of the existing staff will be appointed to new roles within the new Early Help structure.

#### **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 expired 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. The secondment of the kitchen and cleaning staff has now been extended to 30 June 2014. The transport staff are due to be transferred to MCH on 1 May 2014.

### **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 through the council's budget setting process a £200,000 overall saving on the salary budget for HR services for the financial year 2014/15 was agreed. It was 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) were proposed for deletion. The overall reduction in posts was 5.

There are ongoing discussions with Kent County Council on joint working to provide HR support to schools to ensure resilience. The implementation date was 3 March 2014.

### **3.7 Category Management**

It was proposed to delete 8 posts of Category Specialists, 6 of which were 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. Counter-proposals were received and considered. The review is now completed and the implementation date was 1 April 2014. There were 2 compulsory redundancies.

### 3.8 **Sports Development**

Staff were consulted upon proposals to re-organise the structure within Medway sports centers 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 centers 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 who was successfully appointed to one of the management vacancies. Normal recruitment activity continues to fill the essential vacant management posts.

### 3.9 **Planning**

Staff have been consulted upon proposals to merge the Development Management and the Planning, Policy and Design Services. It is proposed that these teams will be managed by a single manager. The objectives of the restructure are to deliver financial savings of approximately £180,000, improve joint working and communication between the Development Management and Planning, Policy, and Design service teams and to provide a more efficient service to customers.

It is intended that these proposals will not involve any compulsory redundancies. Formal consultation concluded on 18 March 2014. Numerous positive comments were received from the staff group and minor tweaks to the proposals will be implemented. All new posts within the structure will now be ring fenced to staff who are directly affected by the above proposal and selection for these posts ongoing.

### 3.10 **Business Administration Support Service**

Staff were consulted upon proposals to re-organise the structure within Business Administration Support Service, in order to realise budget savings as a result of the budget process. Two areas were explored to facilitate this change. The first, the capacity to explore and then improve processes, and the second to increase the flexible deployment of staff to have a team of professionally trained staff who can work in a number of different settings and support different services. This also increases the skill set of staff.

The proposals will result in the deletion of two C2 Senior Administration Officers, both of which are currently vacant, 10.65 D2 Administration Officers, 7.65 of which are currently vacant, one C2 Customer Relations Investigations Officer, and one C2 Meeting Support Officer. The proposals also include the introduction of a Service Improvement and Development Officer post at B1. The consultation process ended on 27 March 2014.

### **3.11 Izzat Day Centre**

Medway Council commissions a number of Older People's Day Care Services for people from the BME Community. The Izzat Day Centre is a non-statutory service provided for the benefit of older people or those with a disability to promote social interaction and provide a range of structured activities for vulnerable people during the daytime. These services and activities enable people to contribute and take part in society and promote community participation. All of these services benefit those who do not fit the FACS criteria.

Consultation commenced on 14 March 2014 and closed on 28 March 2014. Staff will shortly be updated with regards the outcome of the consultation. It is currently proposed that all 4 staff will be made redundant as of 30 April 2014.

### **3.12 Adult Social Care and Children and Adults Disability Services**

Consultation is currently underway with staff and trade unions regarding a number of proposed changes to the structure of the Adults Social Care team. Current proposals include the following changes:

- To integrate the Learning Disability and Physical Disability care management teams, including the Children with Disabilities team to bring these teams in line with future changes as proposed in the Green paper 'Support & Aspiration: a new approach to special educational needs'. This aims to ensure service users have continuity of care and a smooth transition from childhood into adulthood.
- To begin preparations for the changes arising from the Care Bill. The scale and impact is expected to be very significant.
- The creation of East and West teams for Older People in the Adult Social Work teams
- Supporting the creation of a professional social work environment and to recognise nursing and occupational therapy professionals, clearly identifying the role and contribution that these staff bring to the service whilst facilitating the highest professional standards and the outcome for customer service.

Consultation began on 26 February 2014 and was due to end on 2 April 2014.

### **3.13 Schools**

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

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

A spreadsheet is attached at Appendix C.

### **3.15 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 took place in November, and following a further selection process, a preferred provider has been identified. A paper is being presented to Cabinet in April 2014 seeking approval to proceed with the awarding of the contract. It is currently proposed that the new service contract would commence from July 2014.

### 3.16 **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 was previously contracted out to Quadron.

In addition 2 staff from Special Educational Needs Transport and 4 gravediggers were transferred to Medway Norse on 1 April 2014.

### 3.17 **Transfers to Academies**

Gordon Infant and Juniors to converted to an Academy on 1 March 2014 and Bradfields Special School and Delce Junior School converted 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, 744 employees have contacted Care First; 19% 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 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.
- 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 has been one Employment Tribunal applications lodged since the last report to this Committee (6 February 2014), 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 20 February 2014 agreed to use £500,000 of the £3 million redundancy reserve to fund 'pay and grade' however the balance remains

available to fund severance and associated costs. 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

Employment Matters Committee 6 February 2014



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	5 staff obtained posts within the new structure and 2 staff were issued with notice of redundancy.	2 voluntary		0
	Category Management	2	7 January 2014 for 30 days	No change	2		0
	BASS	5.5	26 February to 27 March 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 to 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		
	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
	Nelson Court	6	14 March for 14 days	Day care services being re-provided. Compulsory redundancies for 6 employees	6		6
	Robert Bean Lodge	7	14 March for 14 days	Day care services being re-provided. Compulsory redundancies for 7 employees	7		Not yet known

RCC	Greening the Gateway	1	13 - 17 January 2014	Unable to secure further funding for the project.	1 compulsory	Not yet known
	Transport Procurement Unit	9	14 March for 14 days	Day care services being re-provided. Compulsory redundancies for 9	9	Not yet known
	Planning Service	38	17 February 2014 for 30 days	It is intended that these changes will involve no compulsory redundancies	Not yet known	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
<b>TOTALS</b>		<b>200.5</b>			<b>47</b>	<b>34</b>





<b>APPENDIX C</b>			
<b>TRANSFERS IN SINCE 1 APRIL 2013</b>			
<b>DEPT</b>	<b>AREA</b>	<b>NO. OF STAFF</b>	<b>EFFECTIVE DATE</b>
RCC	Traffic Operations	1	Contract brought back in house
Public Health	Public Health	64	National transfer to local authorities
<b>TOTAL</b>		<b>65</b>	
<b>TRANSFERS OUT SINCE 1 APRIL 2013</b>			
<b>DEPT</b>	<b>AREA</b>	<b>NO. OF STAFF</b>	<b>EFFECTIVE DATE</b>
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
	Facilities Management Joint Venture	6	Transferred to Norse Commercial Services
<b>SUB TOTAL</b>		<b>326</b>	
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	Converted to Academy
	Delce Juniors	55	Converted to Academy
	Bradfields	163	Converted to Academy
<b>SUB TOTAL FOR SCHOOLS</b>		<b>797</b>	
<b>TOTAL</b>		<b>1123</b>	