

EMPLOYMENT MATTERS COMMITTEE

19 NOVEMBER 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.

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 3 September 2014 considered new reviews since 1 April 2013.
- 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 3 September 2014 and revisions to the last report are underlined. Reviews that have concluded have been removed.

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 Transfers to and from the Council

A spreadsheet is attached at Appendix B.

3.3 Quality Assurance & Safeguarding

The proposal sets out a plan for re-aligning these parts of the service, bringing them together under a dedicated Head of Safeguarding and Quality Assurance with some additional investment in specific areas to ensure robustness. The key objective of the proposal is to support the creation of a professional social work environment that facilitates the achievement of the highest professional standards.

The consultation period ended 4 June 2014 and interviews are being conducted to appoint to vacant posts.

3.4 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 had been extended to 30 June 2014. The transport staff were transferred to MCH on 1 May 2014.

Consultation has now commenced with the kitchen domestic staff which ended on 1 September 2014.

Consultation has now concluded resulting in 5 compulsory redundancies.

3.5 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. all 4 staff were made redundant, 2 as of 30 April 2014, 1 as of 31 May 2014. The 1 remaining member of staff had been retained until 20 June 2014 before being made redundant to enable the centre to remain open 1 day a week whilst service users seek alternative provision.

The one remaining member of staff has been made redundant.

3.6 **Integrated Transport**

In June 2013 the former Integrated Transport Service was amalgamated with Traffic Management and Road Safety to form a new Service with a wider remit. Temporary management arrangements were put in place, but it was recognised that a full review of the Service was required to rationalise activities and focus resources on high priorities. Consultation has taken place with the whole service ending in April 2014. All new posts within the structure were ring fenced to staff that were directly affected by the above proposal. Selection to these positions is currently taking place. No compulsory redundancies are likely.

3.7 **Legal**

Consultation is currently underway with staff and trade unions regarding a number of proposed changes to the structure of the Legal Services Team. This is to ensure that in-house legal teams can offer organisations like Medway Council much better value and a better service than other options.

Formal consultation closed on 30 June 2014. Selection for redundancy commenced shortly afterwards.

The “ring-fence” recruitment process has been concluded which has resulted in one voluntary redundancy, all other staff have been successfully placed within the new structure.

3.8 **Finance**

Consultation was undertaken with staff and trade unions regarding a number of proposed changes to the structure of the Finance Teams

The essence of the proposed restructure is that the division would reduce from six service managers to four, the four ‘accountancy’ teams becoming two, with the functions being split between strategic and operational finance. Internal audit would not be affected, however the revenues and benefits systems team would transfer to finance operations, with sundry debt collection going in the opposite direction and becoming part of the revenues and benefits recovery team. Responsibility for monitoring the Council’s collection fund would transfer in its entirety to the Head of Revenues and Benefits.

Formal consultation commenced on 2 May 2014 and concluded on 2 June 2014.

Jobs matching and the selection process has now been completed which has resulted in three voluntary redundancies and all other employees within the staff group being successfully placed into new roles within the revised structure.

3.9 Sheltered Housing

The Homes for Independent Living Structure has been piloted since November 2012. Proposals are underway to formalise the management arrangements for the Team as well as Void Management and Estate Services.

A formal consultation meeting took place on 8 September 2014 to which union representatives have been invited and consultation ran for 30 days.

Consultation closed on 7 October and recruitment is underway

3.10 Heritage

A phased restructure of Heritage Management Functions for Rochester Castle, Temple Manor and Upnor Castle is proposed in order to ensure business continuity during peak visitor period and to ensure:

- Operational management of heritage properties as key visitor attractions
- Delivery of requirements of Local Management Agreement with English Heritage and Medway Cultural Strategy
- Inward investment
- Volunteer development & partnership working
- Event and outreach development

Various options are currently being looked at with a view to starting formal consultation with staff and trade unions shortly to allow the new structure in place by the peak summer season.

3.11 Festival, Arts, Theatres and Events

In view of the extensive financial investments made by the Council into festivals and events and the need for a marked improvement in the financial performance of the Corn Exchange it has been proposed to develop the staffing structure to create a symbiotic relationship between the two operations in order to exploit any financial opportunities. DMT approval has been sought and formal consultation with the staff and Unions is due to start shortly.

DMT approval was received and the implementation is due to start shortly.

3.12 Fostering and Adoption Review

Medway Council committed to reviewing the Fostering and Adoption service as part of phase 2 re-structuring. This proposal supports the replication of the existing team structure across the rest of CSC.

This proposal also allows for sustained improvements in the management and oversight of both services by maintaining a discrete team manager in each. The post of Team Manager will report to the Head of Service LAC and will be tasked with taking a strategic lead in their area, driving improvement and preparing for internal and external inspections and reviews. The anomaly for this service structure is that these services will have a layer of management in

between the Social Work Manager and the Head of Service LAC that does not exist in other parts of the service.

The post of Team Manager is currently graded at, and will remain graded at SW4 which is the same as the newly created Social Work Manager posts. It is felt that this anomaly is currently unavoidable.

Formal consultation commenced with staff and trade unions on 10 July 2014 and ended on 11 August 2014. Comments/counter proposals have been received are being considered.

As the result of the consultation, one Social Worker Manager post was removed and two Senior Social Worker posts added to the structure. Appointment to the two new posts has now been completed and the new structure went live on 1 November.

3.13 **Schools**

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

3.14 **IMPRESS/STEPS**

The IMPRESS and STEPS projects are two European projects being delivered under the RCC directorate. IMPRESS is focussing on providing post-recruitment employment support for employees and employers whilst STEPS is focussing on promoting soft-skills to employees and employers. There is a large amount of overlap between the two projects as both are dealing with employer engagement and promotion of skills.

It is proposed to merge the two projects under a single Lead Co-ordinator to allow for better strategic links between the projects.

Consultation commenced on 19 August 2014 and ran for 30 days, ending on 19 September 2014.

The consultation concluded on 19 September 2014 and following a round of competitive interviews, one compulsory redundancy has been made.

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 was presented to Cabinet in April 2014 seeking approval to proceed with the awarding of the contract. .

5 staff were successfully transferred to Mears and the new service contract commenced on 1 September 2014.

3.16 **Strood Community Project**

Medway Council currently manages the work programme involving the local delivery of employment advice and services. One of the sub contractors of this contract, Strood Community Project, have given notice that they wish to cease the delivery of the contract.

4 employees transferred to Medway on 1 July 2014 (3 others resigned ahead of the transfer).

3.17 **South Thames Gateway Building Control Partnership**

Discussions are currently ongoing between STG and Canterbury City Council regarding Canterbury joining the Building Control partnership. Discussions are ongoing with a possibility of 7 employees transferring to Medway Council under TUPE regulations in the future.

3.18 **Performance and Intelligence Team**

A review of the current structure is underway to ensure that it is effectively resourced to support the Children and Adults Directorate.

A two week consultation process commenced on 21 October 2014 with a proposal to delete 2 Data Officer posts and 1 Graduate Placement posts and to add 1 Business Information Officer post.

3.19 **Youth Offending Team**

In response to a recent HMIP inspection, a new model of practice requiring all YOT practitioners to undertake victim liaison work and integrate restorative justice practice in their work was introduced. This change required the deletion of 1 Victim Liaison Officer post and the addition of a newly created Restoration Justice Co-ordinator post

Consultation commenced on 23 September and concluded on 7 October. A ring-fenced selection process was undertaken and an appointment was made.

3.20 **Enhanced Care Unit and Napier Unit**

On 8 April 2014, Cabinet agreed that negotiations could commence with Agincare in respect of the re-provision of respite services for under 16's who have complex learning and physical disabilities.

The 41 existing staff transferred to Agincare when they took over the service contract on 1 November 2014.

3.21 **Old Vicarage**

On 30 September 2014, Cabinet agreed the procurement of transferring the Old Vicarage children's home to the independent sector through competitive tendering.

3.22 Leisure Services

Proposals are being put forward to create a more trained, qualified, flexible workforce who deliver sport and fitness activity of the highest calibre to our customers, giving all Leisure employees the opportunity (if they so wish) for personal development and career progression.

Consultation is due to commence with staff and trade unions on 14 October 2014 lasting for 30 days.

It is not intended that any staff are displaced as a result of this proposal.

3.23 Transfers to Academies

Gordon Infant and Juniors converted to an Academy on 1 March 2014 and Bradfields Special School and Delce Junior School converted on 1 April 2014.

Recent transfers to Academies are Warren Wood Primary School on 1 July 2014; Cuxton Infants and Juniors on 1 September 2014; Napier Primary on 1 September 2014. The Oaks Provision (part of the Silverbank Park complex) has transferred to a Free School, with effect from 1 September 2014. Brompton Westbrook Primary School and the Howard School with effect from 1 October 2014.

New notification: Stoke Primary School with effect from 1 November 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.
- 4.2 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 2014, 54 employees have contacted Care First; 11% of these contacts were due to changes at work or redundancy.
- 4.3 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.
- 4.4 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.

- 4.5 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.
- 4.6 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.
- 4.7 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 application lodged since the last report to this Committee (3 September), 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 or is in the process of taking 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, where the relevant threshold has been met.
- 6.3 The process adopted must be in accordance with the Council's Organisational Change Policy (including redundancy) and comply with the general principles of fairness to minimise the risk of successful Employment Tribunal 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.

6.5 The savings resulting from the various restructures have already been reflected in the Council's revenue budget.

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

None

APPENDIX A		SUMMARY OF REDUCTIONS					
NEW REVIEWS SINCE 1 JULY 2013							
DEPT	AREA	NO. OF POSTS AFFECTED	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED OR GOT POSTS WITHIN COUNCIL	
BSD	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	
	Legal Services	21	29 May 2014 for 30 days	Consultation to close on 30 June 2014. Awaiting comments as part of consultation process	1 voluntary	20	
	Finance	83	2 May 2014 for 30 days	Proposals going ahead. Recruitment process currently underway	3 voluntary	80	
	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		
C&A	Children's Social Care	25	13 August 2013 for 30 days	Staff slotted into posts within the new structure. Vacancies at higher grades	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 compulsory	0	
	Robert Bean Lodge	7	14 March for 14 days	Day care services being re-provided. Compulsory redundancies for 7 employees	7 compulsory	0	
	Izzat Day Centre	3	14 March for 14 days	Re-provision of non-FACS eligible service	2 voluntary 1 compulsory	0	
	Adult Social Care Service Managers	5	24 February to 3 March	1 voluntary redundancy	1 voluntary	0	
	Adult Social Care and Children with Disabilities Team	99	24 February to 8 April	Majority of staff were slotted to posts within the new structure with only 4 redundancies	3 voluntary and 1 compulsory	0	
	Quality Assurance & Safeguarding	24	6 May to 04 June	Consultation period ended 4 June 2014, interviews underway	Not yet known	not yet known	
	Autism Outreach and LSS	4	23 May to 21 June 2014	3 voluntary redundancies	3 voluntary	1	

	Partnership Commissioning	31	9 June to 8 July 2014	Consultation closed on 8 July 2014. Many suggestions were accepted and incorporated. One voluntary redundancy has been accepted and the grounds of efficiency	1 voluntary	0
	Fostering and Adoption	32	10 July to 11 August 2014	Not yet known	No redundancies proposed	0
	Greening the Gateway	1	13 - 17 January 2014	Unable to secure further funding for the project.	1 compulsory	0
	Transport Procurement Unit	9	14 March for 14 days	Day care services being re-provided. Compulsory redundancies for 9 employees	8 compulsory	1
	Planning Service	38	17 February 2014 for 30 days	It is intended that these changes will involve no compulsory redundancies	1 voluntary	0
	Enhanced Care Unit and Napier Unit	41		Expectation that all 41 staff will transfer to Agincare	not yet known	not yet known
	Balfour Centre	5	5 August 2014 to 1 September 2014	Compulsory Redundancy	5 compulsory	0
RCC	Integrated Transport Service	33	26 March 2014 for 34 days	Proposal to be implemented with effect from July 2014	0	0
	Sheltered Housing		3 July 2014 for 30 days	Consultation to close on 2 August 2014.	Not yet known	Not yet known
	Festivals, Arts, Theatres and Events	14	Awaiting dates		Not yet known	Not yet known
	Sports centres	2	18 December 2013 to 10 January 2014	1 voluntary redundancy, other post is ring-fenced and subject to interview as	1 voluntary	0
	IMPRESS/STEPS	2	20 August 2014 to 19 September 2014	The competitive interview process has resulted in one compulsory	1 compulsory	0
	Performance and Intelligence	3	21 October 2014 to 4 November 2014	no compulsory redundancies are expected	not yet known	not yet known
	Leisure Services	369	14 October 2014 to 12 November 2014	Due to go to consultation on 14 October 2014	not yet known	not yet known
TOTALS		877.5			53	127

APPENDIX B				
TRANSFERS IN SINCE 1 JULY 2013				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE
RCC	Economic Development	4	Transferred from Strood Community Project	01-Jul-14
SUB TOTAL		4		
TRANSFERS OUT SINCE 1 APRIL 2013				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE
RCC	Drivers & Escorts - Balfour Centre	3	Transferred to Medway Community Healthcare	01-May-14
C&A	Robert Bean Lodge and Nelson Court	85	Transferred to Agincare Group	01-Sep-13
Council	Facilities Management Joint Venture	6	Transferred to Norse Commercial Services	01-Apr-14
SUB TOTAL		94		
Schools	Skinner Street	45	Converted to Academy	01-Sep-13
	AllHallows	30	Converted to Academy	01-Sep-13
	Saxon Way	55	Converted to Academy	01-Sep-13
	Kingfisher	47	Converted to Academy	01-Sep-13
	Lordswood	84	Converted to Academy	01-Nov-13
	Wayfield	56	Converted to Academy	01-Nov-13
	Gordon Infants and Juniors	83	Converted to Academy	01-Mar-14
	Delce Juniors	55	Converted to Academy	01-Apr-14
	Bradfields	163	Converted to Academy	01-Apr-14
	Warren Wood Primary	44	Converted to Academy	01-Jul-14
	Napier Primary	57	Converted to Academy	01-Sep-14
	Cuxton Infants	20	Converted to Academy	01-Sep-14
	Cuxton Juniors	32	Converted to Academy	01-Sep-14
	The Oaks Special Provision (Silverbank)	19	Converted to 'the Inspire Special Free School'	01-Sep-14
	Howard	224	Converted to Academy	01-Oct-14
	Brompton Westbrook Primary	59	Converted to Academy	01-Oct-14
	Stoke Primary	28	Converted to Academy	01-Nov-14
SUB TOTAL FOR SCHOOLS		1101		
TOTAL TRANSFERRED OUT		1195		
TOTAL TRANSFERRED IN		4		
NET TOTAL		1191		