

EMPLOYMENT MATTERS COMMITTEE

28 JANUARY 2015

BUDGET PROPOSALS AND IMPLICATIONS FOR STAFF

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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 19 November 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 onwards.
- 2.3 This report provides an update on the position since 19 November 2014 and revisions to the last report are underlined. Reviews that have concluded and previously reported 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 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.

A new management team is now in place and a review of current operations is underway.

3.4 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.

3.5 Schools

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

3.6 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.

3.7 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.

Staff have been consulted with however, the procurement timeframe is yet to be confirmed.

3.8 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.

Consultation has concluded and agreed new processes commenced 1 January 2015.

3.9 Transfers to Academies

The following schools, St. Margaret's CEVC Junior, St. John's CEVC Infant and All Saints CEVC Primary have been granted Academy Orders although no date has yet been agreed for completion.

3.10 Housing Estate Services (Caretakers)

A service contract has been issued inviting responses to tender for the Estate Services – Caretakers (10 staff). The terms of the tender include a provision for the existing 10 employees to transfer under TUPE to the new contract provider with effect from 1 June 2015.

The tender process was due to take place in November 2014 but was delayed until the end of December 2014.

3.11 Regeneration and Economic Development (RED) Team

Consultation was undertaken with staff and trade unions regarding the loss of funding for the Interreg IVA Channel Greenfit project. Despite efforts to secure alternative in-kind match funding, the Greenfit project faced a significant match funding shortfall and neither the RED team specifically, nor the division or directorate had financial capacity to provide the shortfall as cash.

A proposal to delete the Project Co-ordinator (Greenfit) post was put to consultation that concluded on 17 December 2014. Notice has been issued to the affected employee with a termination date of 15 March 2015.

3.12 Front Line Services Support Team

The post of PA to Assistant Director is a .25 FTE role and there are inefficiencies when the post holder is not at work. It is therefore proposed that the activities associated with the PA role can be absorbed elsewhere and the post of PA to Assistant Director, RCC be deleted from the establishment.

Formal consultation with staff and trade unions are scheduled to start on 20 January to allow the new structure to be effective 1 April 2015.

3.13 CCTV Alternative Delivery model

A report seeking permission to commence the outsourcing of the Management of the CCTV service and associated personal safety services has been submitted and approved for submission to the Procurement Board.

A service contract has been issued inviting responses to tender for this service. If successful, this would result in the TUPE transfer of 41 employees to the new provider.

3.14 Greenspaces and Heritage Management

Changes to work practices due to resignation of the Greenspace Development and Heritage Operations post holder are currently being looked at with a view to starting formal consultation with staff and trade unions shortly. Proposals could result in compulsory redundancies

3.15 Budget saving proposals 2015/2016

Senior Management Team have been reviewing their respective future staffing requirements in response to the required overall budget reductions for financial year 2015/16. The proposals have been consolidated and early consultation with the Trade Unions took place on 20 January 2015. Formal consultation with staff and their representatives commenced on 27 January 2015. The total number of redundancies is not expected to be above 20.

3.16 Redundancy costs

In the current financial year to date, there have been a total of 44 redundancies (28 compulsory/16 voluntary) with a redundancy cost of £448,408 and capitalised costs of £716,698.

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. In the year September 2013 to October 2014, there were 575 contacts made with Care First, of which 288 were new users to the service. 197 of the total contacts were work related, of which 5% were categorised as related to redundancy matters.
- 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.

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, 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.

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