

EMPLOYMENT MATTERS COMMITTEE

17 JUNE 2015

PROPOSED REORGANISATIONS

Report from: Tricia Palmer, Assistant Director, Organisational Services

Author: Carrie McKenzie, Head of HR and Organisational Change

Summary

This report covers new reviews and transfers since the last report.

1. Budget and Policy Framework

- 1.1 The staffing implications of reorganisations are a matter for this committee, which can decide on the employment policies and processes supporting any changes.
- 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 This committee considers new organisational reviews and also includes details of the transfer of staff to and from other employers.
- 2.2 An update on reviews which were initially reported at Employment Matters Committee on 28 January 2015 are set out from paragraph 3. Reviews which have commenced since the last committee are detailed from paragraph 4 onwards.
- 2.3 A summary of all reviews reported within this paper and all transfers to and from the council since the last Employment Matters Committee are attached at Appendix A and B.

3. Summary of ongoing Organisational Review consultations

3.1 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 periods and to ensure:

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

A new management team is now in place and it is undertaking a complete review of current operations.

3.2 School Commissioning and Traded Services

School Commissioning and Traded Services team commenced consultation on proposals to restructure the team to realise budget savings of £50,000. Formal consultation closed on 26 February.

As a result of these proposals two staff members were displaced. One has been redeployed and the other has been made redundant.

3.3 School Effectiveness and Inclusion

Formal consultation was undertaken on a proposal to delete two service manager posts, one of which was already vacant, within this Division and to replace these with one new post which would be responsible for both the SEN (Special Educational Needs) and Inclusion service areas. Formal consultation closed on 26 February.

As a result of these proposals, one member of staff has been displaced and is currently being considered for redeployment.

3.4 Children's Social Care – Administrative Hub

Formal consultation commenced with the Trade Unions in March 2015 on a revised organisational structure to realise budget savings of £30,000.

As a result of these proposals one member of staff was displaced and has left the Council for reasons of redundancy.

3.5 Self Directed Support Team

Formal consultation commenced with the Trade Unions in March 2015 on a revised organisational structure to realise budget savings of £30,000.

One post was deleted from the structure with the post holder having now left the Council for reasons of redundancy.

3.6 Schools

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

3.7 South Thames Gateway Building Control Partnership (STG)

Discussions have been ongoing between STG and Canterbury City Council regarding Canterbury joining the Building Control Partnership. These discussions were around the possibility of 7 employees transferring to Medway Council under TUPE regulations. Subsequently, Canterbury City Council have confirmed that this is no longer an option for them due to start up costs and future financial liabilities and they have withdrawn from the proposals.

3.8 Old Vicarage

On 30 September 2014, Cabinet agreed to the possible transfer of the Old Vicarage children's home to the independent sector through a procurement exercise.

Staff have been informed of the plans, however the procurement timeframe has yet to be confirmed.

As an interim measure and until the procurement process is completed, the staff have had an extension of their secondment to Whistle Dawn who are the management company currently managing the home on behalf of the Council.

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 to join Medway Anglican Schools Trust (MAST).

Danecourt Special School has been granted an Academy order to independently convert.

The proposed date for all transfers is 1 September 2015.

3.10 Housing Estate Services (Caretakers)

A service contract has been issued inviting responses to tender for the Estate Services – Caretakers. The terms of the tender include a provision for the existing 10 employees to transfer under TUPE to the new contract provider.

The tender process has been completed and a Gateway 3 contract report proposing the new provider is scheduled for consideration at Cabinet on 7 July 2015.

3.11 Regeneration and Economic Development (RED) Team

Consultation has been undertaken with staff and Trade Unions regarding the loss of funding for the Interreg IV A (European Funding), Channel Greenfit project which would see the deletion of the Project Co-ordinator (Greenfit) post.

As a result of these proposals one member of staff was displaced and has left the Council for reasons of redundancy.

3.12 Front Line Services Support Team

Formal consultation has been undertaken on a proposal to delete 0.25 FTE PA role for Assistant Director RCC.

As a result of these proposals one member of staff was displaced and has left the Council for reasons of redundancy.

3.13 Economic Development

Funding for European projects has ceased and as a result 5 staff on fixed term contracts supporting these projects have been given notice of termination.

3.14 Audit Services

The Internal Audit team comprised of two Principal Auditors and four auditors. Consultation has been undertaken on a proposal to delete one of the Principal Auditor posts.

As a result of these proposals one member of staff was displaced and has left the Council for reasons of redundancy.

3.15 Highway Services

Consultation has been undertaken on proposals to delete the Engineer Highways Management and Projects Engineer posts and create a new post called Senior Engineer (Highways management, finance and asset management) to realise budget savings of £30,000.

As a result of these proposals one member of staff was displaced and has left the Council for reasons of redundancy.

3.16 Safer Communities

Consultation was undertaken within Safer Communities on proposals to delete the following posts from the current structure to realise budget savings of £100,000.

- Community Warden, 2 FTE (vacant)
- Streetscene Enforcement Officer, 1 FTE (vacant)
- Business Compliance Assistant 1 FTE

The implementation of these proposals led to one affected employee who has been redeployed.

3.17 Waste Services

Consultation has been undertaken on a proposal reduce the number of Waste Services Technician posts by 1 FTE to realise budget savings of £25,000

The proposal resulted in one compulsory redundancy.

3.18 Communications and Marketing

Consultation has been undertaken on a new staffing structure which enhanced new ways of working whilst realising budget savings of £100,000

The proposals led to 3 compulsory redundancies.

3.19 Public Health

Consultation has been undertaken in order to achieve a balanced budget for 2015/16, Public Health budgets have been reduced by approximately £1.7 million.

The proposals resulted in in the deletion of three posts.

Two people secured roles within the new Public Health structure. One compulsory redundancy occurred.

3.20 CCTV Alternative Delivery model

A report seeking permission to commence the outsourcing of the management of the CCTV service and associated personal safety services was approved by Cabinet on 15 July 2014.

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.

4 Summary of new Organisational Change proposals.

4.1 Medway Adult and Community Learning Service (MACLS)

Consultation has been undertaken on proposals for a new staffing structure which realises budget savings.

The revised structure aims to enable the Service to:-

- * Ensure performance and standards rise across all sectors and that effective action is taken where there is not timely improvement
- * Enable curriculum staff to have clear roles, responsibilities and accountabilities that ensure a consistent approach to quality and planning across the Service

- * Realise a budget deficit of £400K
- * Be responsive to the likely further budget reductions in grant income and be able to achieve a sustainable budget
- * Move towards an increasing amount of the service's direct delivery teaching being taught by sessional staff to increase flexibility and reduce costs

Formal consultation ended on 20 May 2015 where a number of alternative proposals were received. These responses are currently being reviewed.

4.2 Early Years – Playwork Adviser

Following the conclusion of a three year secondment to one of Medway's Academies one member of staff has returned to the Council but as the Playwork service (Aiming High) is no longer provided by the Council, the substantive role was redundant.

Formal consultation was undertaken with staff and Trade Unions.

One member of staff has been displaced and is currently undertaking a trial period having been redeployed into another role.

4.3 Medway Action for Families

The Council has provided funding to Medway Youth Trust to carry out work on its behalf. A decision has been made to bring this work back in-house, resulting in a TUPE transfer of one individual into Medway with effect from 1 May 2015 for the remainder of her fixed term contract due to expire on 31 March 2016.

5. Support for Staff

- 5.1 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.
- 5.2 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.
- 5.3 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.
- 5.4 There have been regular communications with all staff to keep them up-to-date with the budget proposals and other changes. 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.

6. Risk management

- 6.1 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 and every effort is made to redeploy staff with transferable skills. This will go some way to mitigate these risks.
- 6.2 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 the vast majority of claims that have gone to a hearing.

7. Financial and legal implications

- 7.1 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.
- 7.2 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.
- 7.3 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.
- 7.4 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.
- 7.5 The savings resulting from the various restructures have already been reflected in the Council's revenue budget.

8. Diversity Impact Assessments

- 8.1 Service DIAs have been completed on the areas subject to reductions.

9. Recommendation

9.1 The Employment Matters Committee is asked to note:

- The present position.
- The support arrangements for staff.

Lead officer contact

Carrie McKenzie, Head of HR and Organisational Change 01634 332261

Carrie.mckenzie@medway.gov.uk

Background Papers: None

Appendices

Appendix A – Summary of Reviews

Appendix B - Summary of Transfers

APPENDIX A

APPENDIX A						
SUMMARY OF REDUCTIONS AS REPORTED IN THE PROPOSED REORGANISATIONS PAPER DATED JUNE 2015						
DEPT	AREA	NO. OF POSTS AFFECTED	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED OR NOW IN OTHER POSTS WITHIN COUNCIL
BSD	Audit Services	6	28 January to 26 February 2015	Proposal to delete one Principle Auditor post. One staff member displaced who has left the Council.	1 compulsory	0
	Communications and Marketing	3	28 January to 26 February 2015	Consultation to close on 30 June 2014. Awaiting comments as part of consultation process. Consultation concluded with three staff members displaced who have left the Council.	3 compulsory	0
C&A	Schools Commissioning and Traded Services	15	28 January to 26 February 2015	2 staff members displaced, one redeployed one redundant	1 compulsory	1
	Early Years	1	9 March to 23 March	1 member of staff displaced, currently in trial period of redeployment	0	1
	Schools Effectiveness and Inclusion	2	28 January to 26 February 2015	Two posts deleted from the structure and replaced by one new post. 1 member of staff displaced and is currently in the redeployment pool	0	1
	Children's Social Care - Admin. Hub	35	1 March to 31 March 2015	One post deleted from the structure. One staff member displaced and has left the Council.	1 compulsory	0
	Self Directed Support Team	1	1 March to 31 March 2015	One post deleted from the structure. One staff member displaced and has left the Council	1 compulsory	0
RCC	Front Line Services Support Team	1	20 January 2015 to 18 February 2015	Due to go to consultation on 20 January 2015. Consultation concluded with one staff member displaced and has left the Council.	1 compulsory	0
	Regeneration and Economic Development	1	15 November to 17 December 2014	Proposal to delete the Project Co-ordinator (Greenfit) post. One staff member displaces and has left the Council	1 compulsory	0
	Highway Services	2	28 January to 26 February 2015	Proposal to delete 2 x Engineer posts and introduce 1 x Senior Engineer. One staff member displaced and has left the Council	1 voluntary	0
	Safer Communities	3	28 January to 26 February 2015	Proposal to delete 3 x posts. One staff member was displaced but has been successfully redeployed.	0	1
	Waste Services	1	28 January to 26 February 2015	Proposal to delete 1 x post. One staff member displaced and has left the Council	1 compulsory	0
	Public Health	3	24 February to 25 March 2015	Proposal to delete 3 x posts. Three staff members were displaced, of which two have secured posts within the new structure and one has left the Council.	1 compulsory	2
	Economic Development	5	N/A	5 staff members on fixed term contracts were released at their respective end date.	0	0
Total		79			12	6

APPENDIX B

SUMMARY OF TRANSFERS AS REPORTED IN THE PROPOSED REORGANISATIONS STAFF PAPER DATED JUNE 2015				
Transfers IN				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE
C&A	Medway Action for Families	1	Transfer in for the remainder of a fixed term	01-May-15
SUB TOTAL		1		
Transfers OUT				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE
Nothing reported				
Schools		NO. OF STAFF	DETAILS	EFFECTIVE DATE
Nothing reported				
SUB TOTAL		0		
SUB TOTAL FOR SCHOOLS		0		
TOTAL TRANSFERRED OUT		0		
TOTAL TRANSFERRED IN		1		
NET TOTAL		1		