

## EMPLOYMENT MATTERS COMMITTEE

2 DECEMBER 2015

### PROPOSED REORGANISATIONS

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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 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 9 September 2015 are set out from paragraph 3 and are shown underlined. 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 Medway Adult and Community Learning Service (MACLS)**

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

3.1.2 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 ensures 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

3.1.3 Formal consultation ended on 20 May 2015 where a number of alternative proposals were received.

3.1.4 The review of these proposals was temporarily put on hold to allow on-going discussions on possible partnership arrangements with Mid-Kent College. However, due to the urgency to resolve budget challenges, a revised structure has been agreed taking into account alternative proposals received from staff. The structure has been successfully recruited to and will realise the required savings from April 2016.

3.1.5 As a result of these proposals nine members of staff were displaced, which resulted in two compulsory redundancies as there were seven voluntary redundancies which had taken place immediately following the end of the consultation period.

#### **3.2 School Effectiveness and Inclusion**

3.2.1 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.

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

3.2.3 No redeployment opportunities were found and the member of staff has now left the council as a compulsory redundancy.

### **3.3 Old Vicarage**

- 3.3.1 In 2012 Medway Council awarded a contract to Hexagon Care (Northern Care) to manage its Old Vicarage children's residential home. Agreement was reached to the secondment of Medway staff to Hexagon and for Hexagon to employ all future staff under their terms and conditions of employment.
- 3.3.2 As Hexagon Care's contract expires in November 2015, a paper was presented to Procurement Board in September 2015 seeking agreement to extend the current arrangements until 31 January 2016. This has now been agreed.
- 3.3.3 The paper also highlighted that this was only an interim measure until such time that the Old Vicarage was outsourced in its entirety as part of Medway Councils longer term vision.

### **3.4 Transfers to Academies**

- 3.4.1 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). The original proposed transfer date was 1<sup>st</sup> July. A Land issue at one of the schools has resulted in a delay of the conversion and it is expected that the conversion will now take place on 1<sup>st</sup> September 2015 with staff expected to transfer on this date. Staff from the 3 schools transferred to Medway Anglican Schools Trust (MAST) on 1<sup>st</sup> September 2015.
- 3.4.2 Danecourt Special School has been granted an Academy order to independently convert. The proposed date for TUPE transfer of the staff is 1<sup>st</sup> September 2015. The school independently converted to Academy and staff transferred as planned on 1<sup>st</sup> September 2015.
- 3.4.3 Academy orders have been received for Twydall Primary, Byron Primary, Temple Mill Primary and Rivermead School. All but Rivermead School will be sponsored Academies, with Rivermead School forming its own Academy (The Rivermead Inclusive Trust). All of these conversions will result in the TUPE transfer of the staff accordingly. Dates for these transfers are yet to be confirmed.
- 3.4.4 Twydall Primary school is being sponsored by Rainham Mark Grammar School and the proposed transfer date is 1<sup>st</sup> February 2016. Staff employed in the Children centre will not transfer to the Academy and will remain employees of Medway Council.
- 3.4.5 Byron Primary school is being sponsored by The Westbrook Trust with a proposed transfer date of 1<sup>st</sup> December 2015.
- 3.4.6 Temple Mill Primary school is being sponsored by The Howard Academy Trust with a proposed transfer date of 1<sup>st</sup> December 2015. Staff employed in the Children centre will not transfer to the Academy and will remain employees of Medway Council.
- 3.4.7 Rivermead School has a proposed transfer date of 1<sup>st</sup> January 2016.

### **3.5 Housing Estate Services (Caretakers)**

- 3.5.1 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 7 employees to transfer under TUPE to the new contract provider.
- 3.5.2 The tender process has been completed and a Gateway 3 contract report proposing the new provider was considered at Cabinet on 7 July 2015.
- 3.5.3 The contract was issued to NORSE Commercial Services and a project board was commissioned to TUPE existing staff with effect from 1 October 2015.
- 3.5.4 The TUPE transfer took place on 1 October 2015.

### **3.6 CCTV Alternative Delivery model**

- 3.6.1 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.
- 3.6.2 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.
- 3.6.3 A decision is currently awaited on whether the alternative delivery model is to proceed.
- 3.6.4 Further work is on-going and a paper is being presented at the November 2015 Cabinet meeting.
- 3.6.5 Preparation meetings are taking place and the proposed implementation date for the alternative delivery model is 1 April 2016.

### **3.7 Audit Services**

- 3.7.1 Discussions are ongoing regarding the transfer of Housing Benefit functions to the Department of Work and Pensions (DWP). An initial mobilisation meeting arranged for 12 August 2015 will provide further information. If this is to proceed it will involve the TUPE transfer of staff to DWP with an implementation date of February 2016.
- 3.7.2 The transfer is to proceed with further mobilisation meetings planned to agree the detail. Exact numbers to transfer to DWP will not be known until early February 2016.

### **3.8 Villager Project**

- 3.8.1 Management are in the process of putting together a DMT paper to propose transferring the Villager service to Medway Norse. Communication is ongoing to determine whether TUPE would apply.
- 3.8.2 DMT have agreed to outsource the service to Norse with effect from March 2016. There is one council employee affected by this and consultation will commence in due course.
- 3.8.3 The council is awaiting a TUPE letter from NORSE to commence the consultation.

### **3.9 Learning Support Service**

- 3.9.1 The Learning Support Service provides support to Medway Schools. Historically, the service has received support funding from other Children Services budgets. This year those other sources of support funding are under increased pressure and are not available to assist in financing the Learning Support Service. In addition schools have not purchased support from this service at the level required to meet its financial targets for 2015-16.
- 3.9.2 The proposal is to reduce the number of specialist teachers within the Learning Support Service.
- 3.9.3 Consultation commenced with staff and trade unions on 2<sup>nd</sup> September and ended on 22<sup>nd</sup> September 2015.
- 3.9.4 Following the end of the consultation period, two counter-proposals were received along with numerous comments and suggestions by email. There were two applications for voluntary redundancy which, although accepted, did not produce the immediate savings required.
- 3.9.5 The counter-proposals made a case for (a) the removal of a full-time manager as there would not be any need for managing a reduced team and (b) to cease operating the whole of the LSS service. Following consideration it was accepted that the service should cease in its entirety. Due to the change in position a further period of consultation commenced and ended on 20<sup>th</sup> October 2015. Subsequently 8 members of staff have been issued termination notices on the grounds of compulsory redundancy.

### **3.10 Schools**

- 3.10.1 This report only reflects reorganisations/redundancies that have taken place in maintained schools that buy advice & consultancy services. Work undertaken at Academies and non-Medway schools are not reported here.
- 3.10.2 Delce Infants have undertaken consultation on a restructure of their Children's centre staff to be able to offer a wider range of universal and targeted sessions; further narrowing the health and education gaps. This has been achieved by removing an unqualified post and replacing it with a qualified post, which has resulted in 1 member of staff being placed at risk of redundancy.

3.10.3 Notice has been issued to end on 31<sup>st</sup> August 2015 and the council are currently seeking redeployment opportunities. The member of staff has left the school and was made compulsory redundant on 31<sup>st</sup> August 2015.

#### **4 Summary of new Organisational Change proposals.**

##### **4.1 Employee Engagement Team – HR Services**

4.1.1 Following the proposed new Employee Engagement Strategy, a review of the Employee Engagement team structure proposed that two posts be deleted, and one new post created.

4.1.2 Formal consultation ended on 28 September 2015 which resulted in two staff members being placed at risk of redundancy.

4.1.3 One staff member was successful at interview for the ring fenced post and has been appointed. Notice has been issued to the other staff member to finish their employment as a compulsory redundancy on 31 October 2015.

##### **4.2 Audit**

4.2.1 Following consultation, a new shared service for audit and fraud has been agreed with Gravesham Borough Council and, subject to Cabinet approval on 24 November 2015, this will commence on 1 December 2015 prior to the TUPE out of Housing Benefit fraud functions to DWP as detailed at 3.7 in this report.

4.2.2 Mobilisation meetings are ongoing, and it is anticipated that the full service will be operational before the end of this current financial year.

##### **4.3 Substance Misuse Programme – Public Health**

4.3.1 Cabinet agreed on 27 October 2015 a proposal to bring the Substance Programme back in to the council. This will result in the TUPE transfer into the council of one employee from Kent County Council.

##### **4.4 Sexual Health Services – Public Health**

4.4.1 Sexual Health services are going out to tender which involves both NJC and NHS staff and there are potential implications for pensions and admitted body status.

4.4.2 Early discussions with the commissioning team are taking place.

##### **4.5 Benefit Assessment Team**

4.5.1 Serco currently provide a benefit assessment service to the council for change of circumstances which complements in the current in-house provision. This has been in place for the past three years and Customer Contact have recently entered into discussions with the provider to cease this arrangement. This will potentially result in seven employees transferring back to the employment of the council.

4.5.2 Formal consultation has begun with the affected Serco staff and it is likely that the service will transfer back with effect from 1 December 2015.

#### **4.6 Attendance Advisory Service to Schools and Academies (AASSA) Team**

4.6.1 Following the move of AASSA to Broadside and the introduction of improved technology, smarter working and changes to the early help strategy it has been proposed to realign the team to an area based model and strengthen support and supervision.

4.6.2 The purpose of the proposal was to delete the Senior AASSA Officer and create 3 new posts of Team Leader.

4.6.3 Consultation commenced on 22<sup>nd</sup> September 2015 and ended on 5<sup>th</sup> October 2015.

4.6.4 No counter proposals were received.

4.6.5 Appointment to the new posts have been made. There were no redundancies.

#### **4.7 0-25 Service**

4.7.1 The 0-25 team was established following the restructure of the Adult Social Care division and provides support to children and young people up to the age of 25. The aim of this service is to support children and their parents through a range of interventions including short breaks overnight respite and direct payments.

4.7.2 It is proposed to delete the 8.06fte family worker posts, one Social Care Officer (Deaf Blind Intervener) and 0.54fte assistant family worker post from the 0-25 structure and use the funding as follows.

4.7.3 The support for families with disabled children will transfer to the Integrated Family Support service including the responsibilities of the Social Care Officer. Five new posts (5fte) of Key Worker will be created. The post holders will be expected to undertake twilight (3-7pm) and occasional weekend work. The posts will be based at Broadside.

4.7.4 A new Short Breaks Service is being developed within the SDS Team and it is proposed two new posts (2fte) of Short Breaks Coordinator will be created.

4.7.5 The remainder of the budget will be used to increase social worker capacity.

4.7.6 The rationale is currently being finalised prior to formal consultation commencing with staff and trade unions. Due to the level of vacancies no redundancies are anticipated.

#### **4.8 Medway Parenting Support Service**

4.8.1 The service currently employs one Senior Family Practitioner, one Family Practitioner (0.6FTE) and one temporary Family Practitioner (0.4fte) specialising in ADHD.

4.8.2 It is proposed to move the Parenting Support Service into the Integrated Family Support Service. This would result in the deletion of the 0.8fte Senior Parenting Practitioner Post from the structure.

4.8.3 The rationale is currently being finalised prior to formal consultation commencing with staff and trade unions shortly.

#### **4.9 Senior Management Review**

4.9.1 Cabinet agreed on 27 October 2015 to the commencement of consultation to a proposal to re-structure the council's senior management team and create a new Regeneration, Culture and Transformation directorate.

4.9.2 There are 9 established posts directly affected by the review, including Deputy Director, Regeneration, Community and Culture, and Assistant Directors for Organisational Services, Communications, Performance and Partnership, customer Contact, Democracy and Governance, Housing and Generation, and four Heads of Service.

4.9.3 The following new posts will be created, Assistant Director (AD) Transformation, AD Physical and Cultural Regeneration, Head of Safer Communities and Greenspaces, Head of Regeneration Delivery and Head of Transformation

4.9.4 The recommended proposal is estimated to realise budget savings of c£300K.

4.9.5 As well as consultation with the individuals affected, the whole workforce has been invited to comment on the proposals. The consultation closes on 4 December 2015 with a final proposals paper being presented to Council on 21 January 2016.

4.9.6 The new structure is timetabled to be implemented by 1 April 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 provides 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 The council have formally declined to enter into a conciliated settlement via ACAS in relation to a former employee who was made compulsory redundant from her role as a Playwork Adviser. This is a statutory step ahead of any Employment Tribunal hearing; the ex-employee may now submit an application to the tribunal services.
- 6.3 No application was received and is now timed-out.
- 6.4 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 of £967,000 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**

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### **Background Papers**

None

### **Appendices**

Appendix A - Summary of reductions as reported.

Appendix B - Summary of transfers as reported