

EMPLOYMENT MATTERS COMMITTEE

27 APRIL 2016

PROPOSED REORGANISATIONS

Report from: Carrie Mckenzie, Head of HR and Organisational Change

Author: Tim Silver, Employee Relations Manager

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 3 February 2016 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 Old Vicarage

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.

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. A subsequent decision extended the secondment arrangement until 31 March 2016 to enable discussions to be held between Medway Council and Hexagon Care.

It has been agreed that Medway Council will take back the full operation of the service once the contract with Hexagon expires. 7 Hexagon staff have subsequently TUPE transferred into the Council with effect from 1 April 2016.

3.2 Transfers to Academies

Twydall Primary school converted to Academy status on 1st February 2016 joining Rainham Mark Grammar School. Staff employed in the Children centre did not transfer to the Academy and remained employees of Medway Council.

An Academy order has been received for Cedar Primary School who will be sponsored by the Thinking Schools Academy Trust. The proposed transfer date is 1st June 2016.

3.3 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 in November 2015.

A service contract was issued inviting responses to tender for this service. Subsequently, it was decided to create a local authority trading arm which will result in the TUPE transfer of 43 employees to the new company.

Meetings with the staff and Trade Unions were undertaken in early February 2016 and the implementation date for the alternative delivery model was 1 April 2016.

3.4 Audit Services

The transfer of Housing Benefit functions to the Department of Work and Pensions (DWP) took place with effect from 1 March 2016.

This resulted in one member of staff being TUPE transferred to the DWP.

3.5 Villager Project

DMT have agreed to outsource the service to Norse with effect from 1 April 2016. There is one council employee affected by this and consultation took place between 2 February 2016 and 2 March 2016. No counter proposals were received and the one employee transferred to Norse on 1 April 2016.

3.6 Medway Parenting Support Service

The service currently employs one Senior Family Practitioner (1fte), one Family Practitioner (0.6fte) and one temporary Family Practitioner (0.4fte) specialising in ADHD.

It was proposed to move the Parenting Support Service into the Integrated Family Support Service.

Formal consultation ended on 8 December 2015, with no counter proposals being received. As a result, the Family Practitioner roles transferred to the Integrated Family Support Service on 4 January 2016 with the Senior Family Practitioner being deleted from the structure. The post holder was placed at risk of redundancy and subsequently left the Council as a voluntary redundancy on 13 February 2016.

3.7 Sexual Health Services – Public Health

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.

Early discussions with the commissioning team are taking place and we are awaiting an update.

3.8 Senior Management Review

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.

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.

The following new posts have now been created, Assistant Director (AD) Transformation, AD Physical and Cultural Regeneration, Head of Safer Communities and Greenspaces, Head of Regeneration Delivery.

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

As well as consultation with the individuals affected, the whole workforce was invited to comment on the proposals. The consultation closed on 4 December 2015 with a final proposals paper being agreed by Council on 21 January 2016.

The new structure went live from 1 April 2016.

The role of AD Transformation has been filled and the Council is recruiting externally for the AD Physical and Cultural Regeneration, and Head of Regeneration Delivery.

3.9 Internal Audit & Counter Fraud

Following the implementation of the shared service with Gravesham Borough Council on 1 December 2015 and prior to the TUPE out of Housing Benefit fraud functions to DWP (as detailed at 3.4 in this report) a proposal was put forward to undertake a review.

The key objectives of the review are to:

- mitigate the reduction in budget through the loss of grant funding;
- develop a multidisciplinary team to respond to fluctuations in demand;
- enable the team to work at both sites and provide management/supervisory support at both sites.

The current proposal involves the deletion of four posts, with the creation of three posts, creating a risk of redundancy for one staff member.

Formal consultation commenced with staff and trade unions on 8 December 2015 and ended on 13 January 2016, no counter proposals were received.

The new structure was implemented on 1 April 2016, and resulted in the voluntary redundancy of one employee.

3.10 Public Health

As part of wider Government action on deficit reduction, the 2015/16 public health grant to local authorities has been reduced by £200 million nationally; This resulted in a £1.042million reduction to the Councils' in-year grant.

The Chancellor's autumn statement of November 2015 also flagged further reductions in public health grants, although the grant will be ring-fenced for a further two years. It is anticipated that the additional reduction in 2016/17 will amount to £402,255.

Within this environment it has been necessary to review the existing staffing structure to ensure that the remaining resources are in the right place to focus on delivering public health outcomes effectively. This review has resulted in a proposal to reduce staffing levels by 3.8 fte.

A formal 30 day consultation commenced on 12 January 2016 with staff and trade unions.

No counter proposals were received and the proposed staffing reductions were achieved by 1.8 fte being released on voluntary redundancy, and 2.0 fte leaving the Council under compulsory redundancy.

The new structure was effective 1 April 2016

3.11 Tier 2 Service

A formal 30 day consultation commenced on 9 December 2015 to restructure the Tier 2 service. The team will sit alongside colleagues in children's social care and also the Integrated Family Support Service, strengthening the front door offer of support and improving integrated working with teams that often are working with the same children and families.

The posts of Senior Practitioner (1.00fte), Primary Mental Health Worker (4.00fte), Connexions PA/Mental Wellbeing (1.00fte), and Behaviour Support Caseworker (2.00fte) will be deleted and replaced with new roles.

It is proposed that the new Tier 2 team will consist of a Team Manager (1.00fte), 4 x Primary Mental Health Support Worker (4.00fte) and 4 x Mental Health Keyworkers (4.00fte). In addition 3 dedicated Primary Mental Health Practitioners will be created to strengthen the front door offer. These roles will ensure timely and holistic responses to contacts where there are concerns about a child or young person's emotional health and well being.

The consultation period ended on 7 January 2016 and no counter proposals were received.

The new structure was implemented on 8 February 2016. Three staff were slotted to the roles of Mental Health Keyworker. One post holder was successful in being appointed to the Team Manager post and two resignations were received. There were no redundancies.

3.12 Review of Early Years and Sure Start Children's Centre Services

A report was presented to Cabinet on 12 January 2016, proposing a reconfiguration of Council services for very young children and their families. The recommended option is to retain all 19 Sure Starts Children's Centres and reconfigure staffing into a smaller number of clusters. This would enable a defined offer of front line services focusing on statutory safeguarding and early help, school readiness and attainment, and alignment with child health services.

The Cabinet instructed officers to commence consultation with all stakeholders on reconfiguring services, including the proposal for significant changes to the management and staffing and a reorganisation of the early year services. The findings of the consultation will be reported to Cabinet on 5 April 2016, with full implementation by 1 January 2017.

3.13 Future Integrated Youth Support Services

A report was presented to Cabinet on 12 January 2016, seeking approval to prepare Medway Integrated Youth Support Services for future outsourcing. The proposal is to package the Youth Services and the Youth Offending Services with the YES IAG (Connexions) contract into a commissioning package from January 2017.

The Cabinet agreed to the commencement of consultation with young people and local residents to inform the specifications of the new service. The outcomes of the consultation together with the outline specification will be reported to Cabinet on 5 April 2016.

3.14 Schools

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.

No redundancies or restructures have taken place in Medway schools.

4 Summary of new Organisational Change proposals.

4.1 Onside Therapy Service

The Onside Therapy Service provides a range of therapeutic interventions to children and young people in Medway. The service offers a variety of therapies to meet the needs across the age ranges (4-18yrs), these include: play-based therapy, art psychotherapy and traditional 1-1 counselling. The team also provides group work in the form of psycho-education and group therapy. Funding from DSG ceased on 1st April 2016.

A formal 30 day consultation commenced on 13 January 2016. It was proposed that the Onside Service would cease with effect from 31 March 2016, involving the loss of 4 part time therapist posts and 1 full time admin assistant post.

Consultation ended on 12 February 2016 with no counter proposals having been received.

One resignation was received during the consultation period, with the remaining staff being issued with notice of redundancy. Payments in Lieu of Notice were made to staff whose notice period took them beyond 31 March 2016.

4.2 CSC Service

Children's Social Care was restructured in August 2013 following the Ofsted inspections in January and July 2013. Since this time, the whole service has relocated to Broadside, new working practices and services have been put in place and some partners have co-located with Children's Social Care. Positive changes in practice have been recognised by Ofsted following their inspection during September/October 2015. A plan of action, to respond to the Ofsted recommendations and to drive the service forward over the next

two years, has been developed. Further improvements are required to ensure that we build on and sustain the progress made and achieve our mission of being good to outstanding by 2017.

The proposed restructure aims to:

- Address current recruitment and high vacancy levels at Social Work Manager level by making this a more attractive role, with pay scales comparable to neighbouring local authorities;
- Reduce cost and the current significant premium paid to locum Social Work Managers;
- To develop stronger alignment with community resources and partners in developing an area based approach.

The proposal mainly affects the Child in Need and Child Protection Service and the Looked After Children and Proceedings Service, (excluding the Leaving Care Service).

A formal 30 day consultation commenced on 16 March 2016 and ended on 14 April 2016. No redundancies are envisaged.

4.3 Category Management

The additional revenue pressures the Council now faces has provided an impetus to take action in terms of reviewing and changing the way that Category Management provide support to services and deliver the required savings in the order of £50,000.

A proposal was developed delete 4 FTE Assistant Category Manager posts (3 posts being vacant), and increase the Category Manager posts by 2 FTE.

Consultation commenced on 26/02/2016 and ended on 24/03/2016 with no counter proposals being received.

1 compulsory redundancy notice has been issued and the new structure was implemented with effect from 01/04/2016.

4.4 Licencing

To recognise ongoing pressures to maintain service requirements and make the required budget cuts for the Council a restructuring of the service was proposed.

The current posts of Senior Licencing & Enforcement Officer (2xFTE) were proposed to be deleted and replaced with a Principal Licencing & Enforcement Officer (1xFTE), a Licencing Assistant (1xFTE) and a Licencing Apprentice (1xFTE).

Consultation commenced on 19/01/2016 and ended on 17/02/2016 with no counter proposals being received.

Following interviews for the Principal role, 1 of the 2 Senior FTE was appointed into the Principal role with the other Senior FTE post holder being

made compulsory redundant, leaving the Council on 31 March 2016. The new structure was effective 1 April 2016.

4.5 Property & Capital Projects

The additional revenue pressures the Council now faces, together with the potential for a reduction in the number of education and Housing Revenue Account (HRA) capital projects has triggered a review of the way that the service is delivered that will result in an overall saving of £150,000.

A proposal was made to delete 3.6 FTE posts from the current structure and to re-align the remaining team.

Consultation commenced on 26/01/2016 and concluded on 24/02/2016, counter proposals were put forward the result of which resulted in only 2 FTE posts being deleted.

2 members of staff have been made compulsory redundant having left the Council on 31 March 2016. The new structure was effective on 1 April 2016.

4.6 Employ Medway

There is a need to restructure the service due to low numbers of referrals to the work programme and to realise budget savings, a proposal was made to restructure with volunteers were sought before any formal process was undertaken.

One voluntary redundancy was realised with the employee leaving the Council on 31 March 2016.

4.7 HR Services

To meet the need to make savings to bridge the Council's funding gap, a full scale restructure of HR Services was proposed, with the aim to increase external income to support the day to day costs of service delivery.

The proposals would realise savings of £215,000.

6.6 fte (8 posts) were proposed to be deleted from the current structure with 1.2 fte (2 posts) being vacant. The following posts are being created, 1 x Business Development Manager, 1 x Pensions Team Leader and 1.6 x Pensions Officer, these posts have been identified as crucial to securing future income streams. The current Resourcing Team will come under the management of the HR Support Team Leader as a newly re-evaluated post within the structure, together with two new Senior HR Support and Resourcing Officers. It is anticipated that these posts will be filled from the current HR services team and the domino effect will create opportunities for progression for a greater proportion of the HR services team.

A two week period of consultation was agreed with the Trade Unions and HR Services Team and this commenced on 8 February 2016 closing on 22 February 2016.

During this period of consultation, counter proposals were received relating to the line management of the HR Projects and Systems, and Workforce Development Teams. This resulted in a change to the original proposals.

Further during the consultation 4 team members indicated that they wished to take voluntary redundancy and the Council were able to meet their aspiration. As a consequence, the restructure was achieved without the need for compulsory redundancies.

The cost savings were achieved by 1 April 2016, and work is continuing to fill the vacant posts and bed down the new structure.

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.

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

Carrie McKenzie, Head of HR and Organisational Change 01634 332261
carrie.mckenzie@medway.gov.uk

Background Papers

None

Appendices

Appendix A - Summary of reductions as reported.

Appendix B - Summary of transfers as reported