

EMPLOYMENT MATTERS COMMITTEE

7 DECEMBER 2010

BUDGET PROPOSALS AND IMPLICATIONS FOR STAFF

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Summary

This report covers the staffing issues in relation to the current in-year budget reductions and outlines progress since the Employment Matters Committee on 2 November 2010.

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.

2. Background

2.1 The announcements made in June 2010 by the Chancellor of the Exchequer in respect of the emergency budget reductions resulted in mid-year reductions in Medway of £6m. The background to these budget reductions is contained in the Cabinet report of 29 June 2010 and, subsequently, in the Full Council report 29 July 2010.

2.2 The Joint Consultative Committee of Elected Members and Trade Unions discussed the staffing reductions on 13 July 2010 and Employment Matters Committee on 28 July 2010, 16 September 2010 and 2 November 2010 considered the staffing implications of making these budget reductions.

2.3 This report outlines progress on the consultation with Trades Unions and employees affected and the present position.

3. In year savings approved by Council on 29 July 2010

3.1 These savings affected the following areas:

- Communications, Performance and Partnerships (Local Strategic Partnership and Bidding Unit)
- Health and Safety
- Workforce Development

- Cashiers
- Revenues and Benefits
- Audit
- Teenage Pregnancy
- Extended Schools
- Children's University
- School Improvement (Consultants)
- Schools Workforce Development Team
- Supporting People
- Economic Development

3.2 In many areas it was possible to identify individual posts providing a service and therefore the post was proposed for deletion and there was no selection for redundancy amongst a group of employees. In other areas, such as finance, there was a reduction in service and therefore it was necessary to carry out a selection for redundancy. These selections were undertaken in accordance with the Council's reorganisation procedure and relevant staff and trade unions were consulted on the criteria for selection.

3.3 Overall, five employees from the Workforce Development Team, Supporting People, Children's University and Local Strategic Partnership have been successfully redeployed so far.

3.4 A total of 34 employees are under notice of redundancy between now and 31 March 2011. Every effort will continue to be made to redeploy these employees before the end of their notice periods.

3.5 **Bidding Unit:** Notice to the two employees affected has been extended to 17 January 2011 to enable the Chief Executive and the Assistant Director to consider the counter proposal that this unit becomes self-funding from 1 April 2011. A first stage bid has been submitted to the Reaching Communities Fund to fund bidding support for the voluntary and community sector. To maximise chances of success the bid envisages the establishment of a community interest company. The response to this first stage bid will be known within the next month. If successful, the final stage bid will be submitted with a view to establishing the company from April 1. The employees will leave council employment on 17 January either as result of developing the community interest company, or as a result of their bid being unsuccessful.

4. **Additional areas where there may be redundancies**

There are additional areas where there may be redundancies.

4.1 **ContactPoint**

4.2 Following the decision of the Government to cease work on ContactPoint, a database containing information on children in England, which was to have been shared across agencies, one employee has been placed at risk of redundancy and another may be at risk from February next year. The third

employee affected has been appointed to a post in the Children and Adults Directorate.

4.3 Medway Renaissance

4.4 Cabinet, at its meeting on 19 October 2010, considered a report setting out details of the cessation of funding by the Homes and Communities Agency from 31 March 2011 and authorised the Director to commence formal consultation with staff and the trade unions on the closure of the Medway Renaissance Unit as no future funding has been identified.

4.5 Nineteen employees are potentially at risk of redundancy. The 30-day consultation period for this group began on 29 October 2010. The Director has extended the consultation period until 16 December 2010 to enable staff further time to respond.

4.6 Social Care Commissioning Team

4.7 As a result of reductions in the Social Care Reform Grant, three posts in this team were potentially at risk. One person has already been redeployed another has been matched and another is considering an alternative post.

4.8 Integrated Youth Support Service

4.9 As a result of reduced budgets, the number of posts within the senior management structure in the Integrated Youth Support Service have been reduced from two to one, resulting in one redundancy.

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. An independent organisation, Next Step has been engaged to provide guidance on CV writing, interviewing skills and career advice. Next step is funded by a Government initiative. Workshops run by Next Step and SEEDA took place in August and September 2010, and these included sessions on specialist financial advice. Further sessions have been organised for December 2010 and January 2011.

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. Care First provided a set of learning sessions for managers in managing change in November 2010. 48 Managers attended these sessions and feedback has been excellent.

5.3 We also encourage staff to talk to their trade unions to ensure that they get the necessary support. Rev. David Helms, Industrial Chaplain will also be 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. The Chief Executive sends out regular e-mails and there have been articles in *The Headlines* (staff newsletter), a bespoke “Achieving Better for Less” website for communicating progress of the review to employees went live in October. 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. The proposal to review recruitment arrangements and redeploy individuals may go some way to mitigate these risks. In addition discussions will be held on increasing the flexibility of current staff to increase the ability for individuals to move around the authority where the need for services change.

7. Financial and legal implications

- 7.1 The full budget changes are outlined in the Council report of 29 July 2010 and the costs of any redundancies will be met from reserves. It should also be noted that there will only be a part year effect of any savings in staffing.
- 7.2 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 and is continuing.
- 7.3 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.
- 7.4 The process adopted must be in accordance with the council’s redundancy procedure and comply with the general principles of fairness to minimise the risk of successful unfair dismissal claims.

8. Diversity Impact Assessment

- 8.1 The Diversity Impact Assessment on the in year savings has been completed and was submitted to Employment Matters Committee on 2 November 2010. DIAs have been completed on the other areas subject to reductions.

9. Recommendation

9.1 The Employment Matters Committee is asked to note:

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

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Background papers

Cabinet Report - Public Spending Reduction 29 June 2010

Employment Matters Committee 28 July 2010

Council Report – 29 July 2010

Employment Matters Committee 16 September 2010

Employment Matters Committee 2 November 2010