

## **EMPLOYMENT MATTERS COMMITTEE**

**1 FEBRUARY 2011**

### **BUDGET PROPOSALS AND IMPLICATIONS FOR STAFF**

Report from: Tricia Palmer, Assistant Director, Organisational Services

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#### **Summary**

This report covers the staffing issues in relation to the in-year budget reductions and proposed reductions due to the budget deficit and loss of funding from April 2011 and outlines progress since the Employment Matters Committee on 7 December 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 Employment Matters Committee on 7 December 2010 considered progress on the in year savings required following the announcements made in June 2010 by the Chancellor of the Exchequer in respect of the emergency budget reductions.

2.2 In the light of ongoing savings required due to the budget deficit and loss of funding from 1 April 2011, the Committee agreed to receive regular updates on the current staffing position as a result of the Council's budgetary position.

2.3 It was agreed that the information would be best presented in a spreadsheet format so that the Committee could see the overall situation. The spreadsheet setting out the position as at 20 January 2011 is attached as Appendix A.

2.4 It should be noted that the details on the second page relate to areas where Directors are able to action the reductions within their delegated powers.

2.5 Cabinet on 27 January 2011 will be considering a report, which sets out proposed reductions in areas where there are potential service implications and these will be reported to this Committee in due course.

### **3. Summary of the present position**

#### **3.1 In Year Savings**

- A total of 83 posts were potentially redundant,
- In the event, 47 staff have already left or are under notice of termination of services due to redundancy,
- 7 staff were redeployed into suitable alternative positions,
- 3 staff have been extended until 30 June 2011 to complete specific projects,
- 1 member of staff was funded by other external funding, and
- 25 staff (school improvement and extended schools) accepted secondments or alternative posts within schools.

Every effort continues to be made to redeploy displaced staff who are under notice.

#### **3.2 Proposed reductions due to budget deficit or loss of funding from April 2011**

- 87.57 posts are potentially redundant,
- In 2 areas, consultation has ended (Adult Social Care Commissioning and Student Finance) and of the 6 posts affected in these areas, 4 staff have been redeployed and 2 staff are on notice of redundancy,
- In the Youth Offending Team, where 5 fixed term contracts are coming to an end on 31 March 2011, 1 member of staff has already been redeployed,
- All other areas are still in the consultation period so the outcomes are not yet known.

### **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. 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, September and December 2010, and these included sessions on specialist financial advice. Further sessions have been organised for January 2011.

4.2 The Council has also recently engaged Job Centre Plus to provide sessions on benefits advice; tax implications and financial advice and these will be available from March 2011. This has opened up the opportunity for executive support for professional staff via Guildford College and workshops have been arranged for the end of January 2011.

4.3 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.

- 4.4 We also encourage staff to talk to their trade unions to ensure that they get the necessary support. Rev. David Helms, Industrial Chaplain is also providing opportunities for staff to contact him for support.
- 4.5 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.

## **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. 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.

## **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 and is continuing.
- 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.
- 6.3 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.

## **7. Diversity Impact Assessment**

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

## **8. Recommendation**

8.1 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**

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

Employment Matters Committee 7 December 2010

Cabinet Report on Budget 21 December 2010

APPENDIX A		SUMMARY OF REDUCTIONS					
IN YEAR 2010/11							
DEPT	AREA	NO. OF POSTS	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED	
BSD	MACLS	2	15 Sept 2010 for 30 days	No change to proposals	1	1	
	H&S / Workforce Development	4	5 July 2010 for 30 days	No change to proposals	2	2	
	Schools Workforce Dev.	4	23 July 2010 for 3 weeks	No change to proposals	4	0	
	Comms, Perf & Partnerships	4	5 July 2010 for 30 days	Bid submitted for external funding for 2 posts unsuccessful	3	1	
	Finance	6	5 July 2010 for 30 days	No change to proposals	6	0	
	Public Health	2	5 July 2010 for 30 days	No change to proposals	2	0	
C&A	School Improvement	22	5 July - 10 Sept 2010	No change to proposals	3	0	
	Extended Schools	13	5 July 2010 for 30 days	Posts extended to 31 Mar 11	7	0	
	Children's University	2	5 July 2010 for 30 days	No change to proposals	1	1	
	Supporting People	1	5 July 2010 for 30 days	No change to proposals	0	1	
	ContactPoint	2	30 July 2010 for 30 days	No change to proposals	1	1	
	Youth Management	1	9 Aug 2010 for 21 days	No change to proposals	1	0	
RCC	Economic Development	1	5 July 2010 for 30 days	No change to proposals	1	0	
	Medway Renaissance	19	29 Oct 10 for 30 days	Consultation extended to 16 Dec	15	0	
				3 posts extended to 30 June 2011			
				1 post to remain			
<b>TOTALS</b>		83			47	7	

<b>DUE TO BUDGET DEFICIT / LOSS OF FUNDING FROM APRIL 2011</b>						
<b>DEPT</b>	<b>AREA</b>	<b>NO. OF POSTS</b>	<b>CONSULTATION</b>	<b>OUTCOME</b>	<b>NO. OF REDUNDANCIES</b>	<b>NO. REDEPLOYED</b>
BSD	Org Serv - HR	19.97	10 Dec 2010 for 30 days	Consultation extended to 21.1.11	Not yet known	
	Org Serv - ICT	2	17 Jan 2011 for 30 days		Not yet known	
	Comms, P & P - Communications	6.1	10 Nov 2011 for 24 days		Not yet known	
	H & Corp - Facilities	3	19 Jan 2011 for 30 days		Not yet known	
	H & Corp - Strategic Housing	2	19 Jan 2011 for 30 days		Not yet known	
	H & Corp - Legal	4	19 Jan 2011 for 30 days		Not yet known	
	Finance - Audit	1	WC 24 Jan 2011 for 30 days		Not yet known	
C&A	Adult Social Care Commissioning	4	16 Sept 2010 for 30 days	No change to proposals	0	4
	Youth Admin	5.5	19 Jan 2011 for 30 days	Consultation ends 18 Feb 2011	Not yet known	
	Youth Inclusion Support Panel	8	19 Jan 2011 for 30 days	Consultation ends 18 Feb 2011	Not yet known	
	YOT - fixed term contracts	5	4 Jan 2011 for 30 days	Consultation ends 4 Feb 11	Not yet known	1
	Family Intervention Programme	16	11 Jan 2011 for 17 days	Consultation ends 28 Jan 11	Not yet known	
	Student Finance	2	25 Nov 2010 for 30 days	No change to proposals	2	
RCC	Events Team	1	18 Jan 2011 for 30 days		Not yet known	
	Theatres Team	1	18 Jan 2011 for 30 days		Not yet known	
	Arts Team	1	18 Jan 2011 for 30 days		Not yet known	
	Guildhall Museum	2	17 Jan 2011 for 30 days		Not yet known	
	Waste Services	1	14 Jan 2011 for 30 days		Not yet known	
	Integrated Transport	1	13 Jan 2011 for 30 days	2 posts reducing to 1	Not yet known	
	Planning Policy and Design	1	13 Jan 2011 for 30 days		Not yet known	
	Emergency Planning	1	14 Jan 2011 for 30 days	2 posts reducing to 1	Not yet known	
<b>TOTALS</b>		<b>87.57</b>			<b>2</b>	<b>5</b>