

EMPLOYMENT MATTERS COMMITTEE

16 MARCH 2011

BUDGET PROPOSALS AND IMPLICATIONS FOR STAFF

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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 1 February 2011.

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 1 February 2011 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 and progress on reductions required due to the budget deficit and loss of funding from 1 April 2011.

2.2 The Committee had previously agreed on 7 December 2010 to receive regular updates on the current staffing position as a result of the Council's budgetary position and 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 7 March 2011 is attached as Appendix A.

2.3 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.

2.4 Cabinet on 27 January 2011 agreed reductions in areas where there are potential service implications and these are now reported to this Committee in the Appendix on the third page.

- 2.5 Full Council on 24 February approved the 2011/12 budget. This included the saving of £1.47 million through the freezing of increments and further savings through proposed staffing reductions considered at Cabinet on 27 January 2011 in the region of £1.78 million.
- 2.6 It is important to note that the budget reductions in Medway Council for 2011/2012 equate to approximately 3.5% of posts, whereas many other authorities are reducing by more than that. According to research undertaken by the Local Government Chronicle, an average of 7.3% of local government jobs will be cut in the coming financial year. The figure is based on information from almost half of English Councils about confirmed job cuts.
- 2.7 Analysis by council type shows that 9.2% of metropolitan borough council jobs are due to be shed in 2011-12, followed by 7.1% of London borough staff. The figures show smaller proportions of the workforce being shed by unitaries (6.3%), shire counties (6.3%) and districts (5%). In one authority the percentage reduction is as high as 31%.

3. Summary of the present position

3.1 In Year Savings

Out of the 83 potentially redundant posts, there were actually 44 redundancies. 39 employees were either redeployed or obtained alternative employment with Medway Council, including posts in schools.

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

3.2 Proposed reductions due to budget deficit or loss of funding from April 2011 under Directors' delegated powers

Out of the 85.47 posts potentially redundant, so far 31 employees are under notice of redundancy. 16 employees have either been redeployed or obtained alternative employment with Medway Council. Consultation periods have ended in most areas, but a number of outcomes remain unknown, as selection processes are ongoing.

Every effort continues to be made to redeploy displaced staff.

3.3 Proposed reductions due to budget deficit or loss of funding from April 2011 agreed by Cabinet on 27 January 2011/Council 24 February 2011

64 posts are potentially redundant over the period 1 April to 31 August 2011. At the point of writing this report one employee had asked for the consultation period to be ended early and is now under notice of redundancy and 9 others are under notice of redundancy. One person has already been redeployed.

Every effort continues to be made to redeploy displaced staff.

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, December 2010, and January and February 2011, and these included sessions on specialist financial advice. Further sessions have been organised for March and April 2011.
- 4.2 The Council has also engaged Job Centre Plus to provide sessions on benefits advice; tax implications and financial advice and these are available from March 2011. This has opened up the opportunity for executive support for professional staff via Guildford College and workshops took place in January 2011 and more are available in March 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.
- 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.
- 6.4 The costs of redundancy and early retirement are continually being evaluated. Full Council on 24 February agreed that £3 million of the General Reserve be earmarked as a contingency for severance and associated costs as part of the 2010/2011 accounts closure.

7. Diversity Impact Assessments

- 7.1 The Staffing Diversity Impact Assessment (DIA) on the in year savings has been completed and was submitted to Employment Matters Committee on 2 November 2010. Service DIAs are being worked on or have been completed on the other areas subject to reductions. The staffing DIA will be completed when final outcomes are known.

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

Cabinet Report on Budget 27 January 2011

Council Report 24 February 2011

APPENDIX A		SUMMARY OF REDUCTIONS					
IN YEAR 2010/11							
DEPT	AREA	NO. OF POSTS	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED OR GOT POSTS WITHIN COUNCIL	
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	19	
	Extended Schools	13	5 July 2010 for 30 days	Posts extended to 31 Mar 11	7	6	
	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	No change to proposals except below	12	3	
				3 posts extended to 30 June 2011 1 post to remain		3 1	
TOTALS		83			44	39	

DUE TO BUDGET DEFICIT / LOSS OF FUNDING FROM APRIL 2011 - UNDER DELEGATED POWERS						
DEPT	AREA	NO. OF POSTS	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED OR GOT POSTS WITHIN COUNCIL
BSD	Org Serv - HR	19.97	10 Dec 2010 for 30 days Consultation extended to 21.1.11	Counter proposal accepted in relation to the structure.	13	6.97
	Org Serv - ICT	2	17 Jan 2011 for 30 days	Some counter proposals agreed	Not yet known	
	Comms, P & P - Communications	6	10 Nov 2011 for 24 days	No change to proposals	4	2
	H & Corp - Facilities	2	19 Jan 2011 for 30 days	Post Room staff opted to reduce hours, saving 1 redundancy	Not yet known	
	H & Corp - Strategic Housing	1	19 Jan 2011 for 30 days	No change to proposals	Not yet known	
	H & Corp - Legal	4	19 Jan 2011 for 30 days	No change to proposals	Not yet known	
	Finance - Audit	1	24 Jan 2011 for 30 days	No change to proposals	1	
C&A	Adult Social Care Commissioning	4	16 Sept 2010 for 30 days	No change to proposals	1	3
	Youth Admin	5.5	19 Jan 2011 for 30 days	Consultation ended 18 Feb 2011	Not yet known	
	Youth Inclusion Support Panel	8	19 Jan 2011 for 30 days	Consultation ended 18 Feb 2011	Not yet known	
	YOT - fixed term contracts	5	4 Jan 2011 for 30 days	Consultation ended 4 Feb 11	2	3
	Family Intervention Programme	15	11 Jan 2011 for 17 days	Consultation ended 16 Feb 11	Not yet known	1
	Student Finance	2	25 Nov 2010 for 30 days	No change to proposals	2	
RCC	Events Team	1	Not started yet		Not yet known	
	Theatres Team	1	18 Jan 2011 for 30 days	No change to proposals	1	
	Arts Team	1	18 Jan 2011 for 30 days	No change to proposals	1	
	Guildhall Museum	2	17 Jan 2011 for 30 days	Proposal amended. 1 volunteer was agreed and other savings found elsewhere	1	
	Waste Services	1	14 Jan 2011 for 30 days	No change to proposals	1	
	Integrated Transport	2	13 Jan 2011 for 30 days	No change to proposals	2	
	Planning Policy and Design	1	13 Jan 2011 for 30 days	No change to proposals	1	
	Emergency Planning	1	14 Jan 2011 for 30 days	No change to proposals	1	
TOTALS		85.47			31	15.97

DUE TO BUDGET DEFICIT / LOSS OF FUNDING FROM APRIL 2011 - AGREED BY CABINET 27 JANUARY 2011/COUNCIL 24 FEBRUARY 2011						
DEPT	AREA	NO. OF POSTS	CONSULTATION	OUTCOME	NO. OF REDUNDANCIES	NO. REDEPLOYED OR GOT POSTS WITHIN COUNCIL
BSD	Democratic Services	1	1 Feb 2011 for 30 days	Consultation ended	1	
	Strategic Housing - Empty Homes	1	2 Feb 2011 for 30 days	Employee asked for consultation to end earlier	1	
RCC	Conservation	1	1 Feb 2011 for 30 days	No change to proposals	1	
	Tree Team	1	1 Feb 2011 for 30 days	Consultation extended to 15 March 2011	Not yet known	
	Development Management	3	2 Feb 2011 for 30 days	No change to proposals	2	
	Visitors Information Centre *	0.5	2 Feb 2011 for 30 days	No change to proposals	0.5	
	Econ Dev. & Social Regen. Town Centre *	0.5	2 Feb 2011 for 30 days	No change to proposals	0.5	
	* This is one post that is shared between VIS and Rochester and Strood Town Centre Management					
	Economic Dev. & Social Regen. Halls	2	2 Feb 2011 for 30 days	Counter proposals to be considered	Not yet known	
	Planning Policy and Design	5	15 March 2011 for 30 days		Not yet known	
	Economic Dev. & Social Regen.	4	2 Feb 2011 for 30 days	Counter proposals to be considered	Not yet known	
	Safer Communities	4	28 Jan 2011 for 30 days	No change to proposals	4	
	Econ Dev. & Social Regen. Employ Medway	1	2 Feb 2011 for 30 days	Counter proposals to be considered	Not yet known	
C&A	School Improvement - Advisers	19	2 Feb 2011 for 30 days	Consultation ended 6 March 2011	Not yet known	
	School Improvement - Admin	20	2 Feb 2011 for 30 days	Consultation ended 6 March 2011	Not yet known	1
	School Improvement - Teachers	1	2 Feb 2011 for 30 days	Consultation ended 6 March 2011	Not yet known	
	TOTALS	64			10	1