

EMPLOYMENT MATTERS COMMITTEE

29 JUNE 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 reductions due to the budget deficit and loss of funding from April 2011 and outlines progress since the Employment Matters Committee on 16 March 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 16 March 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 14 June 2011 is attached as Appendix A.

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

2.4 Cabinet on 27 January 2011 agreed to consult on reductions in areas where there were potential service implications, and Full Council on 24 February 2011 agreed to delegate the outcome/determination of the consultation processes to Directors and these are now reported to this Committee on page three of Appendix A.

- 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 Employment Matters Committee on 16 March 2011 asked for future reports to include the position in schools. This is set out in Paragraph 3.5 below and the data is attached in Appendix B.
- 2.7 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.
- 2.8 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 2010/11

Out of the 81 potentially redundant posts, there were actually 40 redundancies. 37 employees were either redeployed or obtained alternative employment with Medway Council, including posts in schools, and the remaining employees resigned.

All notice periods have now ended so there will be no need to report on the in year 2010/11 savings in future reports to this Committee.

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

Out of the 85 posts potentially redundant, 45 employees are either under notice of redundancy or their notice period has expired. So far, 38 employees have been redeployed, returned to substantive posts or obtained alternative employment with Medway Council. One employee resigned during the consultation period. One redundancy was avoided as savings were found elsewhere. 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

75 posts are potentially redundant over the period 1 April to 31 August 2011. 43 employees are under notice of redundancy or their notice period has expired. So far, 22 employees have either been redeployed or obtained alternative employment with Medway Council. 4 employees resigned during

the consultation period. Consultation periods have ended in most areas, but a number of outcomes remain unknown.

Every effort continues to be made to redeploy displaced staff.

3.4 New reviews from 1 April 2011

The new reviews are detailed on Page 4 of Appendix A.

3.5 Schools

144 posts are potentially redundant in Medway Schools during the period 1 April to 31 August 2011. 138 of these posts are still under notice, to expire at the end of the academic school year, 31 August 2011.

Consultations are all complete, but 2 schools are still in the redundancy selection process.

The reasons for redundancies are due to pupil number reductions, budget reductions or loss of external funding.

The individual schools are responsible for actively offering suitable internal vacancies to 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, January, February, March and April 2011, and these included sessions on specialist financial advice. Further sessions have been organised for June 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 March 2011. Further sessions are being planned.

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 was 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 on the in year savings has been completed and was submitted to Employment Matters Committee on 2 November 2010. Service DIAs have been completed on the other areas subject to reductions. The staffing DIA on the savings agreed in February 2011 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

Employment Matters Committee 1 February 2011

Council Report 24 February 2011

Employment Matters Committee 16 March 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 | 11 | 5 July 2010 for 30 days | Posts extended to 31 Mar 11. 4 resignations | 3 | 4 |
| | 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 | | 3 |
| | | | | 1 post to remain | | 1 |
| TOTALS | | 81 | | | 40 | 37 |
| | | | | | | NB: 4 resignations |

| 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 | 20 | Cons. extended to 21.1.11 | Counter proposal accepted | 13 | 7 |
| | Org Serv - ICT | 2 | 17 Jan 2011 for 30 days | Some counter proposals agreed | 1 | 1 |
| | 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 voluntarily opted to reduce hours, saving 1 redundancy. 2 voluntary redundancies from Caretaking staff | 2 | |
| | H & Corp - Strategic Housing | 1 | 19 Jan 2011 for 30 days | No change to proposals. | 1 | 0 |
| | H & Corp - Legal | 4 | 19 Jan 2011 for 30 days | No change to proposals. | 3 | 1 |
| | Finance - Audit | 1 | 24 Jan 2011 for 30 days | No change to proposals | 1 | 0 |
| C&A | Adult Social Care Commissioning | 4 | 16 Sept 2010 for 30 days | No change to proposals | 1 | 3 |
| | Youth Admin | 6 | 19 Jan 2011 for 30 days | No change to proposals | 5 | 1 |
| | Youth Inclusion Support Panel | 8 | 19 Jan 2011 for 30 days | 2 returned to substantive posts (were on secondment) 4 appointed to new posts within the new Integrated Prevention Team. 2 employees on Mat Leave - potentially redundant, but may resign/be redeployed | 0 | 8 |
| | YOT - fixed term contracts | 5 | 4 Jan 2011 for 30 days | No change to proposals | 2 | 3 |
| | Family Intervention Programme | 15 | 11 Jan 2011 for 17 days | 4 returned to substantive posts (were on secondment). 2 appointed to new posts within the Integrated Prevention Team. 1 resigned during consultation. | 4 | 10 |
| | Student Finance | 2 | 25 Nov 2010 for 30 days | No change to proposals | 2 | 0 |
| RCC | Theatres Team | 1 | 18 Jan 2011 for 30 days | No change to proposals | 0 | 1 |
| | Arts Team | 1 | 18 Jan 2011 for 30 days | No change to proposals | 1 | 0 |
| | Guildhall Museum | 2 | 17 Jan 2011 for 30 days | Proposal amended. 1 volunteer was agreed and other savings found elsewhere | 1 | 0 |
| | Waste Services | 1 | 14 Jan 2011 for 30 days | No change to proposals | 0 | 1 |
| | Integrated Transport | 2 | 13 Jan 2011 for 30 days | No change to proposals | 2 | 0 |
| | Planning Policy and Design | 1 | 13 Jan 2011 for 30 days | No change to proposals | 1 | 0 |
| | Emergency Planning | 1 | 14 Jan 2011 for 30 days | No change to proposals | 1 | 0 |
| TOTALS | | 85 | | | 45 | 38 |

NB: 1 resignation; 1 post where savings found elsewhere

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 | 0 |
| | Strategic Housing - Empty Homes | 1 | 2 Feb 2011 for 30 days | Employee asked for consultation to end earlier | 1 | 0 |
| | Finance - Service Manager | 1 | 26 May 2011 for 30 days | Not yet known | Not yet known | |
| 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 | 0 | 1 |
| | Development Management | 3 | 2 Feb 2011 for 30 days | No change to proposals | 2 | 1 |
| | 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 | No change to proposals | 2 | 0 |
| | Planning Policy and Design | 1 | 15 Mar 2011 for 30 days | No change to proposals | 1 | |
| | Economic Dev. & Social Regen. | 6 | 2 Feb 2011 for 30 days | Minor change to proposals | 6 | |
| | Safer Communities | 4 | 28 Jan 2011 for 30 days | No change to proposals | 3 | 1 |
| C&A | School Improvement - Advisers | 30 | 2 Feb 2011 for 30 days | Some Counter proposals accepted. 9 employees appointed to new structure. 3 employees resigned | 15 | 12 |
| | School Improvement - Support Staff | 21 | 2 Feb 2011 for 30 days | Some Counter proposals accepted. 3 employees still in redeployment pool | 10 | 8 |
| | School Improvement - Teachers | 2 | 2 Feb 2011 for 30 days | Some Counter proposals accepted. 1 Teacher resigned | Not yet known | |
| | TOTALS | 75 | | | 43 | 23 |

NB: 4 resignations; 3 still under notice; 2 outcomes not yet known

NEW REVIEWS FROM 1 APRIL 2011

| DEPT | AREA | NO. OF POSTS | CONSULTATION | OUTCOME | NO. OF REDUNDANCIES | NO. REDEPLOYED OR GOT POSTS WITHIN COUNCIL |
|------|-----------------------------|--------------|--|---------------------------------------|---------------------|--|
| BSD | Member Services | 1 | Not required | Post deleted due to elections outcome | 1 | 0 |
| | | 1 | 9 Jun 11 for 30 days | Not yet known | Not yet known | Not yet known |
| C&A | Youth Offending Team | 2 | 14 June 11 for 30 days. 2 x social worker posts proposed for deletion (subject to consultation). 3 x family worker posts proposed for creation (subject to consultation) | Not yet known | Not yet known | Not yet known |
| | Medway Youth Service | 2 | 17 May 2011 for 30 days. 1 post proposed for deletion and 3 posts reducing to 2 posts, due to ongoing efficiency savings required | Not yet known | Not yet known | Not yet known |
| RCC | Chatham World Heritage Team | 2 | 31 May 2011 for 30 days. 1 end of fixed term contract, 1 post proposed for deletion due to loss of external funding | Not yet known | Not yet known | Not yet known |
| | | 8 | | | 1 | 0 |

| APPENDIX B | | | | | | | | |
|-----------------------------------|------------|--------------|-----------|------------|--|--|---|--|
| SCHOOLS | NO. OF | | Teaching | support | CONSULTATION (less than 20 at each Est) | OUTCOME (consultation ended /no change to proposals /counter proposals) | NO. OF REDUNDANCIES number projected rednt/notice issued | NO.REDEPLOYED within School |
| | POSTS | FTE | | | | | | |
| Burnt Oak Primary | 16 | 3.90 | 16 | | 17/03/11 | No change | 16 | 1 |
| Chatham Grammar School for Boys | 4 | 2.81 | 2 | 2 | 11/03/11 | No change | 4 | 0 |
| Chatham Grammar School for Girls* | 7 | 7.00 | 5 | 2 | 07/03/11 | reduction in hours /change to 4.7 FTE | 5 | |
| Delce Junior | 14 | 6.69 | | 14 | 28/01/11 | No change | 14 | 0 |
| Featherby Juniors* | 2 | 2.00 | | 2 | 10/05/11 | Counter proposal accepted | staff agreed hours reduction | not yet known |
| Hundred of Hoo* | 17 | 10.20 | | 17 | 07/05/11 | No change | selection not complete | |
| Kingfisher Primary | 7 | 1.80 | 1 | 6 | 02/03/11 | No change | 7 | 0 |
| Napier Primary | 15 | 8.53 | 5 | 10 | 15/03/11 | No change | 15 | |
| Robert Napier | 18 | 11.11 | | 18 | 27/01/11 | No change | 18 | 2 not yet selected |
| Sherwin Knight Junior | 1 | 1.00 | 1 | | 16/02/11 | no change | 1 | 0 |
| Silverbank* | 1 | 1.00 | | 1 | 13/05/11 | consultation not yet ended | 1 projected | 0 |
| Skinner Street Primary | 8 | 3.66 | | 8 | 04/03/11 | counter proposal made but not accepted | 8 | 0 |
| St Helens CE Primary | 2 | 0.55 | 2 | | 14/03/11 | No change | 2 | 0 |
| St John Fisher | 5 | 4.20 | 5 | | 08/02/11 | No change | 5 | |
| St Michaels RC Primary | 16 | 5.30 | | 16 | 14/02/11 | No change | 16 | 0 |
| St Thomas of Canterbury Primary | 3 | 1.30 | | 3 | 17/02/11 | counter proposal - reduction of hours | 3 | 1 |
| Thomas Aveling | 5 | 4.40 | 3 | 2 | 02/02/11 | No change | 5 | |
| Twydall Junior School | 1 | 1.00 | 1 | | 10/02/11 | No change | 1 | 0 |
| The Howard | 2 | 1.40 | | 2 | 31/01/10 | No Change | 2 | |
| TOTALS | 144 | 77.85 | 41 | 103 | | | 122 redundancy notices issued | *18 posts still not resolved |
| | | | | | | | will reduce to 120 with redeployment options | *4 posts saved by alternative proposals being implemented |