

## **EMPLOYMENT MATTERS COMMITTEE**

**28 SEPTEMBER 2011**

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

Report from: Tricia Palmer, Assistant Director, Organisational Services

Author: Paula Charker, Employee Relations Manager

#### **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 29 June 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 29 June 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. The in year savings for 2010/11 have now been completed so there is no further need to report on them.

2.2 The same Committee also considered progress on the reductions due to the budget deficit and loss of funding from April 2011. The spreadsheet setting out the position as at 5 September 2011 is attached as Appendix A.

2.3 It should be noted that the details on the first page relate to areas where Directors were 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 two 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 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 current 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 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 were subject to redundancy. 38 employees were either redeployed, returned to their 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.

#### **3.2 Reductions due to budget deficit or loss of funding from April 2011 agreed by Cabinet on 27 January 2011/Council 24 February 2011**

Out of the 72 posts were potentially redundant, 41 employees were subject to redundancy. 23 employees were either redeployed or obtained alternative employment with Medway Council. 8 employees resigned.

#### **3.3 New reviews from 1 April 2011**

The new reviews are detailed on Page 3 of Appendix A. This includes the Better for Less Programme where formal consultation commenced on 4 July 2011.

#### **3.4 Schools**

The September – December period traditionally has minimal redundancy consultations, and currently, we have only one more to report on, which is in relation to Wayfield Primary affecting 2 support members of staff. The optimum timescales in Schools are linked to the end of the academic year, 31 August and therefore the last report was our busiest period.

The reasons for redundancies are due to a reduction in numbers in the nursery.

Individual schools are responsible for actively offering suitable internal vacancies to displaced staff and during this period, individuals have been successful in securing alternative positions within other schools.

The position as at 5 September is detailed in Appendix B.

#### **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 took place in 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.
- 4.6 As part of the support being provided to staff in phase one of the Better for Less programme affected by the changes in specialist service teams and the creation of the new customer contact and administration teams, a workshop titled, "The selection process and how to apply for jobs" is being run throughout September. The aim of the workshop is to ensure that staff are supported to apply and interview for opportunities in the new customer contact, administration and specialist teams.

## **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. Recruitment arrangements have been reviewed (for example, there is no recruitment to administrative posts) and every effort is made to redeploy staff with transferable skills. This will go some way to mitigate these risks.
- 5.2 There is always a risk that staff will exercise their right to appeal against their dismissal and to date 7 staff have done so. In addition 3 of those staff have made unfair dismissal claims to the Employment Tribunal alleging discrimination.

## **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 Service DIAs have been completed on the areas subject to reductions. The staffing DIA has now been completed and is attached at Appendix C.

## **8. Recommendation**

- 8.1 The Employment Matters Committee is asked to note:
- The present position.
  - The support arrangements for staff.

**Lead officer contact**

Paula Charker, Employee Relations Manager 01634 334078

[Paula.charker@medway.gov.uk](mailto:Paula.charker@medway.gov.uk)

**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

Employment Matters Committee 29 June 2011



APPENDIX A		SUMMARY OF REDUCTIONS				
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
<b>TOTALS</b>		<b>85</b>			<b>45</b>	<b>38</b>

**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	No change to proposal	1	0
RCC	Conservation	1	1 Feb 2011 for 30 days	No change to proposals	1	0
	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	0
	Econ Dev. & Social Regen. Town Centre *	0.5	2 Feb 2011 for 30 days	No change to proposals	0.5	0
* This is one post that is shared between VIS and Rochester and Strood Town Centre Management						
	Economic Dev. & Social Regen.	6	2 Feb 2011 for 30 days	Minor change to proposals	6	0
	Safer Communities	4	28 Jan 2011 for 30 days	No change to proposals	3	1
C&A	School Improvement	53	2 Feb 2011 for 30 days	Some Counter proposals accepted. 9 employees appointed to new structure. 8 employees resigned	25	20
<b>TOTALS</b>		<b>72</b>			<b>41</b>	<b>23</b>

**NB: 8 resignations**



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
	Member Services	1	9 Jun 11 for 30 days	As per consultation	1	0
C&A	Youth Offending Team	2	14 June 11 for 30 days. 2 x social worker posts proposed for deletion. 3 x family worker posts proposed for creation (subject to consultation)	As per consultation	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	As per consultation	Not yet known	Not yet known
	Home School Support	3	9 June 2011 to 11 July 2011	No Change	1	2
	Youth House	1	6 June to 8 July 2011	No Change	1	0
RCC	Chatham World Heritage Team	1	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	0	1
BfL	Adult Social Care, Business Support, Development Management, Festivals, Arts, Theatres and Events, Customer First (exc. Environment teams 1 & 2, community interpreting, switchboard and HRA), Housing Solutions, Housing Administration, Revenues & benefits, Strategic Housing, Print, Post & Courier Services, Personal Assistants). Please note that the number of redundancies is an estimate	60	4th July for 90 days. Ends 30th September.	Not yet known	Not yet known	Not yet known
<b>TOTALS</b>		<b>71</b>			<b>4</b>	<b>3</b>



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 Schools
	POSTS	FTE						
Burnt Oak Primary	16	3.90	0	16	17/03/11	No change	16	1
Chatham Grammar School for Boys	4	2.81	2	2	11/03/11	No change	4	
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	
Featherby Juniors	2	2.00		2	10/05/11		1	1
Hundred of Hoo	17	10.20		17	07/05/11	No change	15	2
Kingfisher Primary	7	1.80	1	6	02/03/11	No change	7	
Napier Primary	15	8.53	5	10	15/03/11	No change	15	
Robert Napier	17	10.11		17	27/01/11	No change	17	1
Sherwin Knight Junior	1	1.00	1		16/02/11	no change	1	
Silverbank	1	1.00		1	13/05/11	No change	1	
Skinner Street Primary	8	3.66		8	04/03/11	counter proposal made but not accepted	8	
St Helens CE Primary	2	0.55	2		14/03/11	No change	2	
St John Fisher	4	3.20	4		08/02/11	No change	4	1
St Michaels RC Primary	16	5.30		16	14/02/11	No change	16	
St Thomas of Canterbury Primary	2	1.30		2	17/02/11	counter proposal - reduction of hours	2	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	
The Howard	2	1.40		2	31/01/10	No Change	2	
Wayfield Primary & Childidren's Centre	2	2.00		2	25/07/11	no change	2	1
<b>TOTALS</b>	<b>143</b>	<b>77.85</b>	<b>24</b>	<b>119</b>			<b>137 redundancy notices issued</b>	<b>8</b>
							<b>will reduce to 129 with redeployment options</b>	



## Diversity Impact Assessment: Screening Form

## Appendix C

<b>Directorate</b>	<b>Name of Function</b>		
<b>All Council</b>	Review of staffing implications due to 2011/12 budget reductions		
Officer responsible for assessment	Date of assessment	New or existing?	
Paula Charker	31 August 2011	New	
<b>Defining what is being assessed</b>			
<b>1. Briefly describe the purpose and objectives</b>	<p>This is an overarching DIA on the staffing implications of the 2011/12 budget reductions.</p> <p>The impact assessment is reviewing the staffing aspects of the savings required, and is being completed after the end of the selection for redundancy processes.</p>		
<b>2. Who is intended to benefit, and in what way?</b>	Savings were intended to be achieved in a way that ensured financial sustainability whilst not disproportionately impacting on or unfairly disadvantaging any sections of the community.		
<b>3. What outcomes are wanted?</b>	<p>For the redundancies to be carried out in accordance with the law and the Council's procedure on Organisational Change and for the best talent to remain within the organisation, where possible. To ensure that the objective of the Workforce Strategy to:</p> <p><i>Build a workforce that reflects the community we serve through better workforce planning, recruitment and retention.</i></p> <p>is maintained as far as possible.</p>		
<b>4. What factors/forces could contribute/detract from the outcomes?</b>	<p><b>Contribute</b></p> <p>Organisational Change Procedure followed Counter proposals carefully considered Redeployment opportunities being available</p>	<p><b>Detract</b></p> <p>Employees not co-operating with redeployment process</p>	
<b>5. Who are the main stakeholders?</b>	Employees and Residents of Medway.		
<b>6. Who implements this and who is responsible?</b>	Senior Management Team and Elected Members.		

<b>Assessing impact</b>		
<b>7. Are there concerns that there <u>could</u> be a differential impact due to <i>racial groups</i>?</b>	YES	Possibly
	NO	
<b>What evidence exists for this?</b>	<p>Monitoring of the workforce as at 31 March 2010 showed that 6.6% of the workforce (excluding schools) are from minority ethnic (ME) groups.</p> <p>Of the 86 employees affected by the reductions, 7 of them are from minority ethnic groups, which equates to 8.14 % i.e. 1.54% higher than the representation in the workforce.</p>	
<b>8. Are there concerns that there <u>could</u> be a differential impact due to <i>disability</i>?</b>	YES	Possibly
	NO	
<b>What evidence exists for this?</b>	<p>Monitoring of the workforce as at 31 March 2010 showed that 3.5% of the workforce (excluding schools) have declared a disability.</p> <p>Of the 86 employees affected by the reductions, 6 of them have declared a disability, which equates to 6.97% i.e. 3.47% higher than the representation in the workforce.</p>	
<b>9. Are there concerns that there <u>could</u> be a differential impact due to <i>gender</i>?</b>	YES	Possibly
	NO	
<b>What evidence exists for this?</b>	<p>Monitoring of the workforce as at 31 March 2010 showed that 71.6% of the workforce (excluding schools) are women and 28.4% are men.</p> <p>Of the 86 employees affected by the reductions, 45 of them are women, which equates to 52.3% i.e. 19.3% lower than the representation in the workforce.</p> <p>Of the 86 employees affected by the reductions, 41 of them are men, which equates to 47.7% i.e. 19.3% higher than the representation in the workforce.</p> <p>Men are under-represented within the workforce compared to the community, where the economically-active percentage of men is approximately 50%.</p>	
<b>10. Are there concerns there <u>could</u> be a differential impact due to <i>sexual orientation</i>?</b>	YES	Not known
	NO	

What evidence exists for this?	Not known as the Council does not monitor the workforce for sexual orientation																					
11. Are there concerns there <u>could</u> be a have a differential impact due to <i>religion or belief</i> ?	YES	Not known																				
	NO																					
What evidence exists for this?	Not known as the Council does not monitor the workforce for religion or belief																					
12. Are there concerns there <u>could</u> be a differential impact due to people's <i>age</i> ?	YES	Possibly																				
	NO																					
What evidence exists for this?	<p>Monitoring of the workforce (exc. schools) shows the following percentages:</p> <table style="margin-left: 40px;"> <tr><td>Under 30 =</td><td>17%</td></tr> <tr><td>30 – 39 =</td><td>18%</td></tr> <tr><td>40 – 49 =</td><td>28%</td></tr> <tr><td>50 – 59 =</td><td>29%</td></tr> <tr><td>60 – 65 =</td><td>8%</td></tr> </table> <p>Of the 86 employees affected by the reductions, the age breakdown shows the following percentages:</p> <table style="margin-left: 40px;"> <tr><td>Under 30</td><td>= 11%</td></tr> <tr><td>30 – 39</td><td>= 13%</td></tr> <tr><td>40 – 49</td><td>= 18%</td></tr> <tr><td>50 – 59</td><td>= 45%</td></tr> <tr><td>60 – 65</td><td>= 13%</td></tr> </table> <p>This indicates less impact on younger employees and potential disproportionate impact on employees aged 50 – 65. However, a number of those in this group volunteered to be released on the grounds of redundancy and were entitled to early release of pension benefits.</p>		Under 30 =	17%	30 – 39 =	18%	40 – 49 =	28%	50 – 59 =	29%	60 – 65 =	8%	Under 30	= 11%	30 – 39	= 13%	40 – 49	= 18%	50 – 59	= 45%	60 – 65	= 13%
Under 30 =	17%																					
30 – 39 =	18%																					
40 – 49 =	28%																					
50 – 59 =	29%																					
60 – 65 =	8%																					
Under 30	= 11%																					
30 – 39	= 13%																					
40 – 49	= 18%																					
50 – 59	= 45%																					
60 – 65	= 13%																					
13. Are there concerns that there <u>could</u> be a differential impact due to <i>being transgendered or transsexual</i> ?	YES	Not known																				
	NO																					
What evidence exists for this?	Not known as the Council does not monitor the workforce for being transgender or transsexual																					
14. Are there any <i>other</i> groups that would find it difficult to access/make use	YES	Not applicable																				

of the function (e.g. young parents, commuters, people with caring responsibilities or dependants, young carers, or people living in rural areas)?	NO	
What evidence exists for this?	N/A	
15. Are there concerns there <u>could</u> have a differential impact due to <i>multiple discriminations</i> (e.g. disability <u>and</u> age)?	YES	No
	<b>NO</b>	
What evidence exists for this?	Of the 86 posts affected, three disabled employees are women and none of them are from a ME community.	

Conclusions & recommendation		
16. Could the differential impacts identified in questions 7-15 amount to there being the potential for adverse impact?	YES	No
	<b>NO</b>	
17. Can the adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or another reason?	YES	Not Applicable
	NO	
Recommendation to proceed to a full impact assessment?		
<b>No</b>		

Action plan to make Minor modifications		
Outcome	Actions (with date of completion)	Officer responsible

Planning ahead: Reminders for the next review	
Date of next review	Not applicable to schedule this DIA for full review, but the council will continue to monitor impact of individual proposals.
Areas to check at next review (e.g. new census information, new legislation due)	
Is there <i>another</i> group (e.g. new communities)	



