

EMPLOYMENT MATTERS COMMITTEE

18 JANUARY 2012

BUDGET PROPOSALS AND IMPLICATIONS FOR STAFF

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Summary

This report covers the following staffing issues;

- a) Final results from the reductions due to the budget deficit and loss of funding from April 2011.
- b) New reviews since 1 April 2011
- c) Summary of Employment Tribunals lodged in 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 3 November 2011 considered progress on the reductions due to the budget deficit and loss of funding from April 2011. The spreadsheet attached as Appendix A shows the position as at 4 January 2012. All of these reductions have now been completed so will not be reported to future meetings of this committee.
- 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 86 posts potentially redundant, 46 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 that 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. Progress with regard to the Better for less review is being reported separately. Details of the reviews which are currently in progress are included below:

3.3.1 Shalder House – Extra Care Service

On 1 November 2011, Cabinet agreed that officers could consult with stakeholders about the preferred option to decommission the service operating at Shalder House.

The service is not cost effective in terms of meeting the needs of those that are supported at Shalder House. The lack of cost effectiveness is primarily relates to the staff/service user ratio, where there are 13 members of staff working in the service and the maximum capacity of the service is 11 people. Over the last 12 months 38 people received a service and their average length of stay was 49 days (7 weeks). The occupancy rate of the service during the last 12 months was 51%. A recent inspection, in early 2011, by the Care Quality Commission raised minor concerns about the fabric of the building.

The consultation period ended on 15 December 2011, and no detailed counter-proposals were received. On 20 December 2011, Cabinet decided to

proceed with decommissioning of the service and consequently 12 staff are now at risk of redundancy.

3.3.2 Balfour Centre

On 29 November 2011, the Cabinet gave permission for a formal consultation process to take place with service users and staff about the proposed decommissioning of the Balfour Centre.

The number of attendees at the Balfour Day Centre is falling. This is mainly due to the personalisation agenda, which has encouraged choice and raised expectations from service users and carers. The centre is becoming increasingly expensive to run when benchmarked against other providers of daytime opportunities with support.

There are currently 20 staff posts based at the Balfour Centre. Consultation with these staff commenced on 12 December 2011 and is due to end on 6 February 2012.

3.3.3 Duke of Edinburgh Team – Youth Services

The Duke of Edinburgh's award, operates to support young people between 14 – 25 years to undertake their Award within secondary schools, voluntary youth groups, Pupil referral units, Alternative curriculum provision, special schools and units and within custody. Currently the team enrolls approximately 1000 young people per year who will take between approximately 1- 2 years to complete each level of the Award at Bronze, Silver or Gold levels.

The current emphasis is to concentrate work to effect outcomes for vulnerable young people and to assist prevention of youth offending. This has resulted in a rise in expedition provision needed by the team beyond the capacity and capability of the current part time field officers.

Consultation with existing post holders began on 3 December 2011 to reconfigure the resources at Assistant Youth Development Worker and Field Officers levels and to revise the Job descriptions of the part time youth workers at Woodlands Open Award Centre.

3.3.4 Schools

As at January 2012, there is one school consultation running at Glencoe Primary School. This is due to an overstaffing identified in Teaching Assistants supporting classes.

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, February, March and April 2011. 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 were available from March 2011. This has opened up the opportunity for executive support to professional staff via Guildford College and workshops took place in January 2011 and 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 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. 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.
- 5.3 At the last meeting of this Committee, Members asked for details of Employment Tribunals to be provided. There have been 12 Employment Tribunal applications lodged from 2011 to date, where the Council has been a named Respondent. Five of these claims related to redundancy dismissals.
- 5.4 To date the Council has successfully defended six out of the twelve claims, three out of the twelve were settled on commercial grounds i.e. it was cheaper to reach a commercial settlement than defend the claims at a hearing. The remaining three cases are due to be heard within the next four to six months.
- 5.5 There is delegated authority to officers to authorise payment in respect of claims against the Council, in consultation with the relevant Director, where the claim does not exceed £5,000.

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. Any redundancy costs in schools would not be a charge against the earmarked reserves and will be reflected in the Children and Adults Directorate revenue monitoring as a pressure.

7. Diversity Impact Assessments

- 7.1 Service DIAs have been completed on the areas subject to reductions. The staffing DIA for the reductions agreed by Members and Directors in February 2011 was submitted to this Committee on 28 September 2011.

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

Employment Matters Committee 29 June 2011

Employment Matters Committee 28 September 2011

Employment Matters Committee 3 November 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	0
	H & Corp - Strategic Housing	1	19 Jan 2011 for 30 days	No change to proposals.	1	0
	H & Corp - Legal	5	19 Jan 2011 for 30 days	No change to proposals.	4	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		86			46	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	No change to proposals	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	Counter proposal accepted	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
TOTALS		72			41	23

**NB: 8
resignations**

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
	Member Services	1	9 Jun 11 for 30 days	As per consultation	1	0
	Teenage Pregnancy	2	11 Apr 11 for 30 days	As per consultation	2	0
	MACLS	1	31 Oct for 10 days.	No Change	1	0
C&A	Youth Offending Team	3	14 June 11 for 30 days.	As per consultation	3	0
	Medway Youth Service	2	17 May 2011 for 30 days.	As per consultation	2	0
	Youth House	1	6 June to 8 July 2011	No Change	1	0
	Home School Support	3	9 June to 11 July 2011	No Change	1	2
	Shalder House - Extra Care Service	12	15 Nov 11 for 30 days	As per consultation	Not yet known	Not yet known
	Balfour Centre	20	12 December 2011 to 6 February 2012	Not yet known	Not yet known	Not yet known
	Duke of Edinburgh Team - Youth	3	5 Dec 2011 to 3 Jan 2012	Not yet known	Not yet known	Not yet known
RCC	Chatham World Heritage Team	1	31 May 2011 for 30 days.	No change	0	1
	Community Librarians and Acquisitions	1	15 July for 30 days	No change	1	0
Schools	Glencoe Primary	8	25 November 2011 - 9 January 2012	Not yet known	Not yet known	Not yet known
TOTALS		59			13	3