

EMPLOYMENT MATTERS COMMITTEE

11 APRIL 2012

BUDGET PROPOSALS AND IMPLICATIONS FOR STAFF

Report from: Tricia Palmer, Assistant Director, Organisational Services

Author: Paula Charker, Employee Relations Manager

Summary

This report covers new reviews and transfers since 1 April 2011 and a summary of Employment Tribunals lodged.

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 February 2012 considered new reviews since 1 April 2011 and a summary of Employment Tribunals lodged.

2.2 The Committee agreed that future reports include details of the transfer of staff to and from other employers and staffing changes under the Better for Less programme, this is set out from paragraph 3.8 onwards.

2.2 This report provides an update on the present position.

3. Summary of the present position

3.1 Reviews from 1 April 2011

The reviews are detailed on Page 1 of Appendix A. Progress on the reviews is set out below.

3.2 Shalder House – Extra Care Service

Following the decision by cabinet on 20 December 2011 to decommission the Shalder House Extra Care Service, the final residents have now moved out and the Shalder House building is now unoccupied. There were 13 staff employed by the service. One member of staff was redeployed through the Better for Less programme into one of the newly created admin hubs. 12 members of staff were put at risk of redundancy.

Of these 12 staff, 9 have been successfully redeployed to other posts within the Council. Unfortunately it has not been possible to identify suitable alternative posts for the remaining 3 individuals to date, and therefore these 3 individuals were scheduled to have their employment terminated on the grounds of redundancy on 29 March 2012, unless an alternative post can be found in the remaining week of their redundancy notice period. An update will be given at the meeting.

3.3 **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 has become 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 ended on 6 February 2012. Cabinet on 14 February 2012 considered the outcome of consultations and noted the expression of interest from Medway Community Healthcare regarding the Balfour Day Centre and instructed officers to explore this, consult with service users, carers and staff and report back to Cabinet for determination in due course.

3.4 **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 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 has been 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. Also demand from the voluntary sector has been decreasing, but rising in schools resulting in more emphasis on support in the day time

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. One set of counterproposals were received, but were not accepted. Three staff have been promoted, and although there was one team member at risk of redundancy, they have recently been redeployed and are about to commence their four week trial period.

3.5 Waste Services – Graffiti removal and pest control teams

The Graffiti removal service has previously been funded by an external grant of £100,000 per annum but this funding ceased at the end of 2011/12. Following approval of the 2012/2013 budget at Council on 23 February 2012, the Graffiti service will have to be maintained with reduced operating costs. To ensure a smooth running of the service it has been proposed that there will be closer working and cover provided between the graffiti removal technicians and senior pest control technicians at times of peak demand or staff shortages due to leave / sickness

The reduction in funding will result, subject to consultation, in a reduction of 1FTE from 3FTE graffiti removal technicians. Consultation ran from 28 February to 22 March 2012. Any responses to consultation are scheduled to be considered on 26 March 2012 and responses given by 28 March 2012. An update will be given at the meeting.

3.6 Achieving Better for Less

A separate report covering Better for Less phase one was presented to the Committee at its meeting on 18 January 2012.

Preparation for the start of consultation for phase 2 of the programme has begun. The HR Business Partners have been meeting with the affected service managers to provide advice and guidance on the change programme. The proposed date for start of consultation is Monday 23 April. The number of staff potentially affected by phase 2 is not yet known.

3.7 Schools

There are 4 consultations currently ongoing in Medway Schools, with an implementation date of 31 August 2012. These are detailed in Appendix B.

New Road Primary School – Senior Leadership Team (SLT) restructure with 2 potential redundancies.

Horsted Federation - SLT restructure, with no redundancy implications.

Barnsole Federation – for the move to amalgamation on 1 September 2012, the schools re-organisation has only incurred 2 redundancies. Several staff have been on fixed term contracts ending 31 August, hence redundancies are minimal.

Napier Primary School – changes in the provision of site services, with 1 potential redundancy.

3.8 Transfers to and from the Council

3.9 CCTV Partnership

On 13 March 2012, Cabinet approved proposals for a CCTV Services Partnership between Medway, Swale, Maidstone and Gravesham Councils, ensuring it fits with corporate priorities and it meets stakeholders' expectations.

The Partnership will effectively be a joint contractual arrangement, initially between the four Councils. Once established, Medway Council will act as the Host Council whereby all other Councils wishing to join into the Partnership Arrangement will transfer delivery of their CCTV functions to Medway Control Centre (MCC). As a Host Council, MCC will have delegated authority for the running of the service and as such will be responsible for the employment of

staff, procurement of goods and services and other responsibilities outlined in the agreement.

The Partnership will be managed through the Executive Board, which is made up of the Head of the partnership, local authority representatives and representatives from the private sector, if appropriate. The proposed Partnership will enable the provision of improved and more cost effective CCTV services.

Medway Council has consulted with staff and Trade Unions who are supportive of the Partnership. Consultation has also been undertaken with Gravesham Council, Maidstone Council, Profile Security and Securitas (private companies currently undertaking the Councils CCTV services), and affected staff will be transferred into Medway Council under TUPE regulations. Seventeen staff are due to transfer into Medway Council with effect from 1 April 2012.

3.10 Medway Telehealthcare Services

On 15 February 2012, the Procurement Board agreed that Medway Control Centre (MCC) could tender for the operation of its engineering team within the Telehealthcare Service. The outsourcing of this service will ensure that Medway Telehealthcare Services have a wider pool of resources available to them, enabling MCC to meet current business demands and future growth of Telecare and Telehealth.

The Tender Specification is currently out to tender with a closing date of 23 March 2012. The current staffing structure for the installation of Telehealthcare has evolved as the business has grown and the engineering team is now made up of 2 full time Installation Officers (Telecare Base Unit and pendants) and 1 full time Engineer (sensors). These three existing members of staff will be transferred under TUPE regulations to the successful tenderer.

3.10 Medway Swale Estuary Partnership

The Medway Swale Estuary Partnership is a collaborative project funded by Kent County Council, Medway Council, RSPB and Kent Wildfowlers Conservation Association, with a large partner base. Previously the Partnership was hosted by Kent County Council, covering employment and financial administration. However, the Partnership agreed that hosting arrangements should be transferred to Medway Council to help with efficiencies, reduce costs and provide opportunity for funding income.

One member of staff on a fixed term contract transferred under TUPE regulations to Medway Council on 1 February 2012. Work is currently being undertaken to secure funding for an additional year.

3.11 Hi Kent Deaf Services

The contract with Hi Kent for deaf services was given notice to terminate on 31 March 2012 as it was more cost effective to deliver this service in house. Two staff are transferring in to Medway on 1 April 2012. There are some issues with the part time administrator transferring but we are working to resolve these before 1 April 2012.

3.12 Linked Service Centres

On 29 November 2011, the Cabinet gave permission for a formal consultation process to take place with service users and staff about the proposed outsourcing of the Linked Service Centres – Robert Bean Lodge (62 employees), Platters Farm Lodge (53 employees) and Nelson Court (50 employees).

Benchmarking of Robert Bean Lodge, Platters Farm Lodge and Nelson Court against the independent sector demonstrated that the services were relatively expensive and that efficiencies could be achieved without compromising the quality of outcomes delivered by each service.

The decision was taken at Cabinet on 14 February 2012 to outsource the three Linked Service Centres and adopt the implementation plan as detailed in the DIA. Once the tender evaluation process has concluded consultation with staff will commence.

3.13 Mental Health Services

The transfer of 57 staff to the Council was achieved on 1 February 2012. This is a transitional arrangement pending further proposals to Cabinet on options in June 2012.

3.14 Transfers to Academies

The following schools have converted to Academies. Chatham Grammar for Boys, Sir Joseph Williamson Mathematical School, Rainham Mark Grammar, Cliffe Woods Primary, Hundred of Hoo, Chatham Grammar Girls, Thomas Aveling and Walderslade Girls.

Greenacre and High Halstow Primary are converting to Academies on 1 April 2012.

3.15 Stirling Centre

Medway Council has agreed to enter into a development agreement with a new operator for the running of the Stirling Centre. As part of this agreement the new operator will be making significant investment into the updating of the building and facilities available to the public, whilst being able to utilise these for school use. From April 2012 16 staff will initially be transferring on a secondment arrangement to new operator whilst they seek admitted body status to the LGPS. Once this status has been achieved or a comparable pension scheme provided a TUPE transfer will take place to permanently transfer the staff to the new operator.

3.16 Public Health

Discussions have begun and a local public health transition plan is being produced collaboratively between Medway and the NHS. The plan will detail how the transfer of public health functions will be coordinated and managed between the sender and receiver organisation in April 2013.

The progress of the plan will be reported to the Health Transition board. Tricia Palmer – Assistant Director Organisational Services sits on this board as a Medway representative.

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.
- 4.2 The Council has also engaged Job Centre Plus to provide sessions on benefits advice; tax implications and financial advice.
- 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 has provided a set of learning sessions for managers in managing change.
- 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 8 staff have done so.
- 5.3 There have been 16 Employment Tribunal applications lodged from January 2011 to date, where the Council has been a named Respondent. Six of these claims related to redundancy dismissals. To date the Council has successfully defended all claims that have gone to a hearing.
- 5.4 There is delegated authority to the Assistant Director (Corporate Services) to authorise payment in respect of claims against the Council, in consultation with the relevant Director, where the claim does not exceed £5,000, and with the Chief Finance Officer and the relevant Portfolio Holder where the claim exceeds £5000 but does not exceed £10,000. This applies to limited cases

where it is deemed to be more cost effective to reach a commercial settlement.

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 2011 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

Paula Charker, Employee Relations Manager 01634 334078
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
Employment Matters Committee 28 September 2011
Employment Matters Committee 3 November 2011
Employment Matters Committee 18 January 2012
Employment Matters Committee 29 February 2012

APPENDIX A		SUMMARY OF REDUCTIONS					
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	No Change	1	0	
	Teenage Pregnancy	2	11 Apr 11 for 30 days	No Change	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.	No Change	3	0	
	Medway Youth Service	2	17 May 2011 for 30 days.	No Change	2	0	
RCC	Chatham World Heritage Team	1	31 May 2011 for 30 days.	No change	0	1	
	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	
	Community Librarians and Acquisitions	1	15 July for 30 days	No change	1	0	
	Shalder House - Extra Care Service	12	15 Nov 11 for 30 days	No Change	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	4	5 Dec 2011 to 3 Jan 2012	No Change	0	1	
	Waste Services - Pest Control and Graffiti teams	1	28 Feb to 22 Mar 2012	Not yet known	Not yet known	Not yet known	
TOTALS		53			13	4	

APPENDIX C		TRANSFERS IN AND OUT		
TRANSFERS IN SINCE 1 APRIL 2011				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE
RCC	CCTV	17	Partnership between Medway, Swale, Maidstone and Gravesham	01-Apr-12
	Medway Swale Estuary	1	Hosting arrangements moved from Kent to Medway	01-Feb-12
C&A	Hi Kent	2	Contract brought in house	01-Apr-12
	Mental Health Services	57	Contract brought back to Medway	01-Feb-12
	Public Health	70	National transfer to local authorities	01-Apr-13
TOTAL		147		
TRANSFERS OUT SINCE 1 APRIL 2011				
DEPT	AREA	NO. OF STAFF	DETAILS	EFFECTIVE DATE
RCC	Telehealthcare	3	Tendering process closed 23 March 2012	To be determined
	Stirling Centre	16	Initially transfer on secondment whilst new operator resolves pension issues	Apr-12
C&A	Link Service Centres	165	Tendering process to commence	To be determined
SUB TOTAL		184		
Schools	Chatham Grammar Boys	160	Converted to an Academy	1.4.2011
	Sir Joseph Williamson Mathematical	179	Converted to an Academy	1.4.2011
	Rainham Mark Grammar	145	Converted to an Academy	1.7.2011
	Cliffe Woods Primary	43	Converted to an Academy	1.7.2011
	Hundred of Hoo	189	Converted to an Academy	1.9.2011
	Chatham Grammar Girls	100	Converted to an Academy	1.9.2011
	Thomas Aveling	152	Converted to an Academy	1.9.2011
	Walderslade Girls	119	Converted to an Academy	1.11.2011
	Greenacre	157	Converting to an Academy	1.4.2012
	High Halstow Primary	29	Converting to an Academy	1.4.2012
SUB TOTAL		1273		
TOTAL		1457		