

TRAFFORD COUNCIL

Report to: Employment Committee
Date: 19th February 2014
Report for: Information
Report author: Joanne Hyde, Director of HR

Report Title

Outcome of the Budget Consultation 2014/15 – Staffing Impact

Purpose of Report

To provide an over view of the Budget Consultation 2014/15 process and the outcomes of the staff consultation, including how proposals have changed as a result of consultation.

Recommendations

1. That Employment Committee note the full consultation process that has been undertaken with staff in relation to the 14/15 budget proposals.
2. That Employment Committee note that staff debriefings relating to the proposals will be undertaken on 20th February 2014 to confirm the outcome of Council's decisions relating to the budget.

Contact person for access to background papers and further information:

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CORPORATE DIRECTOR'S SIGNATURE



(electronic).....

To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.

Implications:

Relationship to Policy Framework/Corporate Priorities	Value for Money. The budget proposals for 2014/15 support all key priorities and policies.
Financial	The proposals are part of the overall proposed budget for 2014/15, distributing available resource across service objective heads as detailed in the main budget report.
Legal Implications:	It is a statutory requirement for the Council to set and approve a balanced, robust budget and council tax level. Budget proposals take account of various legislative changes as they affect Council services. The Council has undertaken the relevant statutory processes associated with the effect of the proposed budget on the workforce.
Equality/Diversity Implications	Equality impact assessments supporting the budget proposals are being carried out as appropriate.
Sustainability Implications	None arising out of this report.
Staffing/E-Government/Asset Management Implications	Human Resources – statutory processes have been undertaken and the impact on staffing is being managed through managing change processes.

1. Background

- 1.1 In October 2012, the Council released detailed budget proposals for the period 2013-2015 and these were supplemented by the launch of the Vision 2015 document. The aim of this approach was to support residents and other stakeholders to understand how the proposals may affect them in the short and medium term.
- 1.2 Due to a shortfall in savings for 2014/15, additional proposals were developed. These additional proposals have been the subject of a formal consultation process, which has now concluded.

- 1.3 Given the potential impact of the proposals on the workforce, the consultation process included a statutory 30 day collective consultation with the recognised trade unions. This statutory consultation with trade unions commenced on 7th November 2013 and was marked by the issue of a formal S.188 notice.
- 1.4 The consultation process was managed by the same cross Council steering group which managed the consultation process for 2013/14.
- 1.5 The collective consultation ended on 8th January 2014 and this report outlines the approach taken to the consultation, the outcome of the consultation and how the consultation has shaped the budget proposals, specifically the impact on the workforce.

2. **Approach to Staff Consultation**

- 2.1 The budget proposals anticipated an original impact of 89.05 FTE posts, representing a collective headcount reduction in the region of 64 staff; this required the Council to issue the recognised trade unions with a S.188 notice to enter into a minimum statutory consultation period of 30 days. This period of collective consultation commenced on 7th November 2013 and ended on 8th January 2014.
- 2.2 The purpose of the consultation process was to:
 - consult with staff and trade unions about the detailed proposals and the proposed implementation strategy;
 - listen to and consider comments and suggestions from staff and trade unions about the proposals;
 - consider any alternatives put forward to meet the identified objectives;
 - minimise the need for redundancies.
- 2.3 During the consultation process, consultation with staff and trade unions was undertaken by a variety of means. This included:
 - an initial briefing with staff and trade unions on the general budget proposals;
 - fortnightly corporate meetings with senior management and trade union officials;
 - service/team level meetings with staff and trade union officials, with the facility for staff and trade unions to provide verbal, written and electronic feedback on service specific proposals;

- individual meetings with affected staff and a relevant trade union/ representative (where appropriate), with the facility for staff to provide verbal, written and electronic feedback on the proposals.

2.4 During the consultation process, in order to mitigate the need for compulsory redundancies, staff in “at risk” areas were offered the option of applying for early release on the grounds of redundancy or early retirement. In addition, staff in “at risk” areas were also given support to be redeployed into suitable alternative vacancies.

3. **Equality Impact Assessments**

3.1 An Equality Impact Assessment (EIA) was undertaken for each budget proposal where initial screening identified a potential impact on staff. The EIAs are live documents, running alongside the consultation. This has meant that staff and trade union views were able to be taken into account and mitigating factors put in place where required.

3.2 In order to satisfy the Public Sector Equality Duty, members are required to consider the extent to which the proposals will impact on any persons with protected characteristics and in the event that any such impacts are identified, the extent to which these can be mitigated against. The EIA does not identify any significant impact on persons with protected characteristics. Mitigation measures are suggested where appropriate and reasonable. The EIA has been published on the Council website and members are required to consider this in reaching their decision on the recommendations proposed.

4. **Impact of Staff Consultation**

4.1 In summary, a total of twenty one service proposals were developed in order to achieve additional budget savings. Of these, fifteen proposals indicated a direct impact on existing staffing numbers; the remainder relied upon savings attributable to the deletion of vacant posts.

4.2 Of those fifteen proposals having an impact on existing staffing numbers, a total of eleven were fully developed and the subject of consultation during the statutory period; the remainder have yet to commence consultation and will be subject to separate consultation, beyond the statutory process.

4.3 Of the eleven consultations which took place,

- Five proposals have remained unchanged;
- Four proposals have been amended as a result of the consultation process;

- Two proposals are being reviewed in light of alternative solutions being submitted, which will potentially achieve the same savings but with a reduced impact on staffing

4.4 The original headcount reduction was anticipated as being in the region of 64. Following the period of collective consultation, this figure has reduced to an estimated 56. Of these, it is anticipated that 37 will be achieved as a result of either voluntary release or natural wastage, following the submission of 32 voluntary release applications and 5 voluntary resignations. The number of compulsory redundancies has therefore been mitigated and is now likely to be in the region of 19.

4.5 A summary of the staffing impact following consultation is set out in the table below:

Staffing type	Post reduction in fte	Proportion or percentage	Headcount reduction	Percentage of total workforce
Management	12.0	14%	12	0.39%
Back office/Other	32	38%	16	0.52%
Front line	40.25	48%	28	0.9%
Total	84.25	100%	56	1.81%

4.6 The detailed outcome of the staff consultation exercise can be found at Appendix 1.

4.7 The following paragraphs provide a summary of the outcome of consultation by Directorate.

4.7.1 Children, Families & Well Being

Five proposals were submitted from this directorate. These proposals anticipated a reduction of 10.4 posts, representing a collective staffing reduction of 12. Of these proposals, two were the subject of a full consultation exercise, one did not require consultation as it related to the deletion of a vacant post and two proposals will be the subject of future consultation exercises, beyond the statutory consultation period.

As a consequence of the consultation process, both of the two full consultations which took place have resulted in revisions to the original proposals being made, mitigating the impact on staffing. It is now estimated that the FTE reductions will be 9.2 posts, representing a revised staffing reduction in the region of 9. To date, 6 applications for voluntary release have

been received; this means that the number of potential compulsory redundancies has been mitigated and now stands at an estimated 3.

4.7.2 Environment, Transport & Operations

Seven proposals were submitted from this directorate. These proposals anticipated a reduction of 39.05 posts, representing a staffing reduction in the region of 37. Of these proposals, five were the subject of full consultation during the statutory period, one did not require consultation as it represented the deletion of a vacant post and one is the subject of an ongoing tendering process.

Of the five proposals which were the subject of a consultation process, one proposal, which had a significant impact on staffing levels, was the subject of extensive local consultation with the workforce and the trade unions. This consultation involved a number of workshops, group and individual meetings with staff as well as meetings with both local and branch trade union representatives. Whilst at the end of the consultation process, the overall reduction in posts and staff numbers has not changed, the approach to achieving the reductions in terms of redundancy selection and pooling arrangements has been amended, reflecting the feedback received.

In relation to the other proposals, two have essentially remained the same in terms of the impact on posts and staffing numbers and two are in the process of being reviewed as a result of alternative solutions being submitted; these alternatives indicate that the original savings may be achievable with a slightly reduced impact on staffing.

Whilst as a result of consultation, the FTE and headcount impact are estimated as essentially remaining the same in this directorate, the method of achieving the reductions has been revised and it is anticipated that a significant proportion of the reductions will be achieved through voluntary measures. To date, there has been one voluntary resignation and 22 formal requests for voluntary release; therefore, it is now estimated that as a result of consultation, the number of potential compulsory redundancies has been mitigated and is now in the region of 12.

4.7.3 Transformation & Resources

Nine proposals were submitted from this directorate. These proposals anticipated a reduction of 39.6 FTE posts, a significant proportion of which were vacant, meaning that the anticipated headcount reduction was in the region of 16. Of these proposals, three were the subject of full consultation during the statutory period, four did not require consultation as they

represented the deletion of vacant posts and two will be the subject of future consultation exercises, beyond the statutory consultation period.

As a consequence of the consultation process, two proposals have been reviewed and amended, taking into account the feedback received and one proposal has remained the same. These changes mean that the reduction in posts is now estimated at 36. Given that the majority of these reductions relate to vacant posts and that during the consultation period, 3 requests for voluntary release were received and 4 staff were successful in obtaining alternative employment, it is now estimated that the number of compulsory redundancies has been mitigated and will be in the region of 4.

5. Update on the Terms and Conditions Review

- 5.1 Since October 2012, the Council has been consulting with staff and trade unions about a number of changes to terms and conditions of employment.
- 5.2 The final proposal in relation to the changes was approved by the Employment Committee on 2nd December 2013 and subsequent to this, staff were invited to voluntarily sign up to the new terms and conditions. The deadline for sign-up was 3rd January 2014 and any staff who had not signed up by this date commenced the termination and re-engagement process.
- 5.3 To date, 2492 staff have voluntarily signed up to the new terms and conditions of employment, representing 84.8% of the affected workforce. Staff have until 31st March 2014 to undertake the voluntary sign-up; any staff who do not sign up will stand dismissed as per the notices which were issued to them on 6th January 2014.
- 5.4 During the 12 week notice period, the HR Service will work with managers to support the voluntary sign up process and will provide guidance to managers on what action they should take, should staff not wish to sign up, yet present themselves for work on 1st April 2014.
- 5.5 The HR Service will also continue to work with trade union colleagues during the termination and re-engagement process in order to try and mitigate the number of potential dismissals and the impact on service delivery.
- 5.6 The trade unions have recently held an indicative ballot for strike action/action short of strike and this indicative ballot has not received the mandate to move to a formal ballot of the workforce.

6. Next Steps

- 6.1 It is proposed that subject to the approval of the Council's Budget Report, staff will be debriefed on 20th February 2014.
- 6.2 In addition, these proposals will not be implemented until the outcome of the Budget Council meeting on 19th February is confirmed and, as such, no notices of redundancy will be issued until thereafter.