

**TO: EMPLOYMENT COMMITTEE
10 MAY 2016**

**REVENUE BUDGET 2016/17 – EMPLOYMENT IMPLICATIONS
(Director of Corporate Services – Human Resources)**

1 INTRODUCTION

- 1.1 The purpose of this report is to identify additional staffing implications arising from the revised financial position for 2016/17. This has been considered by the Corporate Management Team and will also have been to a Special meeting of the Local Joint Committee for consultation. The Employment Committee is now asked to consider the report.

2 RECOMMENDATIONS

The Special Employment Committee is recommended to:

- 2.1 **Approve the deletion of the posts identified in Exempt Appendix B with effect from the dates indicated.**
- 2.2 **Agree that the postholders are declared redundant in accordance with the terms set out in that Exempt Appendix with the costs being met from the Structural Changes Fund (subject to any redeployment opportunities offered to those affected).**

3 REASONS FOR RECOMMENDATIONS

- 3.1 To make financial savings to meet the requirements of the revised budgets for 2016/17.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Additional savings are also being planned in areas where no action can be taken until further Public Consultation has taken place and decisions made accordingly which may arise on any potential service changes. This will necessitate a further report to the Employment Committee.

5 SUPPORTING INFORMATION

- 5.1 To achieve a balanced budget in 2016/7, based on estimates of the likely level of budget settlement, the Council has already agreed to make economies of £4 million to partially bridge the budget gap of £10.1 million, not all of which were from staffing costs. Since the budget settlement was announced a further gap of £2.4m has been identified and proposals to meet this further gap have been the subject of consultation and discussion with Members and with staff. This report deals with the staffing implications as a result of proposed changes following the budget consultation.
- 5.2 The budget proposals focus, as far as possible, on making savings and efficiencies in areas which will have the least direct impact on services to residents. However, the scale of financial reductions required mean that this is not possible to achieve in all instances.

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5.3 All staff who are potentially affected by the emerging proposals were fully briefed by managers during January 2016 and received a formal "At Risk" letter on 5 February or week commencing 8 February. More in-depth meetings with those employees were held by departmental HR staff and managers responsible for the service to talk directly to them and to accord with the agreed Organisational Change timetable. A copy of that Protocol is attached as Appendix A; this follows a similar approach to previous years.

5.4 The proposals impact on the following areas with the detail outlined in Exempt Appendix B:

5.5 **Corporate Services/Chief Executive's Office**

(a) **Construction and Maintenance, Property Team**

This section of the property team deals with Council buildings, and there has been a reduction in the number of buildings to be maintained, including schools changing to Academy status; there is also a substantial reduction in the Council's planned maintenance and capital budgets for this area. As a result, the team can now be managed directly by the Chief Officer: Property and it is proposed that the post of Head of Construction and Maintenance is deleted.

STAFFING IMPACT: 1 POST (1 FTE)

Ref 1 in Exempt Appendix B.

5.6 **Environment, Culture and Communities**

(a) **Highways Engineering**

In order for the Council to continue funding preventative highway maintenance a significant reduction in minor transport improvement schemes is required. A reduction in work budgets consequently reduces the staff resources required and it is proposed to remove 3 FTE's: 1 Senior Engineer and 2 Assistant Engineer posts. The affected post holders were placed 'At Risk', pending a selection process which has become unnecessary following 3 suitable requests for voluntary redundancy.

STAFFING IMPACT: 3 POSTS (3FTEs)

Ref 2 in Exempt Appendix B

(b) **Highways Inspection**

A reduction in funding for highway inspections at Development sites will reduce the staff resources available. The proposal is to remove 0.5 FTE from the Clerk of Works team which currently comprises 1.5 FTE. The affected post holders were placed 'At Risk', pending a selection process which has become unnecessary following 1 suitable request for voluntary redundancy.

STAFFING IMPACT: 1 POST (0.5 FTE)

Ref 3 in Exempt Appendix B.

(c) Road Safety Education

A reduction in funding for Road Safety Education will remove the Road Safety Officer post (1 FTE) and this proposal makes the post holder redundant. Support for 'Safer Roads Berkshire', a road safety partnership providing road safety information and initiatives will continue alongside cycling and pedestrian training in schools.

STAFFING IMPACT: 1 POST (1 FTE)

Ref 4 in Exempt Appendix B

(d) Highway Drainage

A reduction in funding for highway drainage will reduce the resource available by 1 FTE. In future only urgent repairs will be undertaken and no improvement schemes commissioned that would otherwise resolve local flooding.

STAFFING IMPACT: 1 POST (1 FTE)

Ref 5 in Exempt Appendix B

(e) Redeployments

An additional number of posts which were At Risk of redundancy do not appear as proposed redundancies in this report as the postholders were successfully redeployed. These include one postholder in Concessionary Fares (ECC), a postholder in the Business and Enterprise team (Chief Executives) and two postholders in Early Help (CYPL).

The Process

5.7 When considering budget reductions, officers first scrutinise the requirements for a particular service or function ie whether it could be changed/reduced/reshaped or what the impact would be if it were no longer provided. Having done so and made a judgement in that context, they then consider what the staffing impact will be. Where staffing reductions in multi-occupancy posts are required, if no suitable voluntary redundancies/early retirements emerge, the method of selecting employees for available posts follows the Council's Redundancy Handling Procedure and takes into account the following factors:

- Skills/experience
- Attendance/disciplinary record

Any recommended redundancy or severance payments thereafter are brought to this meeting and will be made in accordance with the relevant legislation and/or statutes, and the Council's Policy on Early Retirements and Redundancies.

5.8 In the majority of cases the notice period will be worked before the effective date. In some cases the individuals will not have the opportunity to work their full notice period between notification of redundancy and the effective date; in these cases, the balance of notice will be paid as pay in lieu of notice.

Conclusion

- 5.9 The total number of Full Time Equivalents affected by these proposals is 7.

As the process of actively seeking redeployment opportunities will continue right up to the termination date, some staff will secure alternative posts with the Council between the date of decision on redundancy and the effective date as specified on the exempt appendices.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Any service restructure involving a reduction of employees has to reflect the requirements of the Employment Rights Act 1996 and the Council's own Redundancy Handling Procedure to ensure that the case for redundancies is genuine and thereafter to ensure that any decisions are predicated on ;

- (1) (Where appropriate) the establishment of a reasonable selection criteria
- (2) Adequate consultation
- (3) Consideration of suitable alternative employment

The Council's compliance with this criteria is set out in the main body of the report.

Borough Treasurer

- 6.2 The total cost of the proposals outlined in this report is £187,434. The average payback period is 7 months.
- 6.3 The overall cost will reduce if redeployment opportunities are identified. The final cost can be met from the Structural Changes Reserve which currently stands at £1.2m.

Equalities Impact Assessment

- 6.5 An Equalities Screening Record Form has been completed in accordance with Council policy and is attached as Appendix C. Service areas are responsible for EIAs on the service impact of any major changes.

Strategic Risk Management Issues

- 6.6 Failure to implement proposals involving staff reductions will result in significant alternative savings needing to be found in the Council's budget. There may be resource capacity issues in parts of the organisation as a result of these measures which will need to be managed.

7 **CONSULTATION**

Principal Groups Consulted

- 7.1 Employees affected have been individually consulted. Trades unions have been formally consulted throughout the process commencing with statutory consultation letters and including a special meeting of the Local Joint Committee.

Background Papers

None.

Contact for further information

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**MANAGEMENT OF ORGANISATIONAL CHANGE CHECKLIST & TIMETABLE
PHASE 2 BUDGET CONSULTATION ONLY (6 WEEKS) – NO FURTHER PUBLIC
CONSULTATION OR EIA**

FOR ADDITIONAL BUDGET REDUCTION PROGRAMME

Ref	Dates	Description	Responsible Officer(s)
1	15/2/16	Publish Executive papers on budget proposals	
2	23/2/16	Executive meeting to consider and decide savings proposals	
3	24/2/16 – 5/4/16	Start 6 week budget consultation period	BT
4	22/1/16	Notify Trade Union(s) of anticipated redundancies – subject to the Executive agreeing them	CO:HR
5	25/1/16 – 26/1/16	Initial Consultation with all staff potentially affected, in groups and then individually as necessary (Issue letter summarising discussion of proposals including information given, process and deadline for feeding back comments and describing next stage.)	Departmental HR and Director/CO
6	26/1/16 - onwards	Consider vacancies in light of proposals before advertising; potential to hold or advertise internally in some cases. If new jobs are to be created job descriptions/person specifications/JIQs prepared and submitted for job evaluation	Departmental HR and CO
7	5 Feb	Send “At Risk” letters – effective date of any redundancy tbc. All subject to consultations, committee decisions. Redeployment discussions may already have begun informally, but here the formal redeployment meetings begin.	Departmental HR
8	27/1/16 – 2/3/16 (6 weeks)	Further discussion and consultation with staff on proposals	Director/CO
9	7/3/16	Feedback to affected employees on staff consultation comments and any resulting changes	Director/CO

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10	11/3/16	Appeals against being placed At Risk to be lodged	Individual/ Departmental HR
11	11 to 16/3/16	Appeals against At Risk status heard	Departmental HR/CO
12	(14 th if no appeals) 16-24/3/16	Selection processes for posts where applicable. (Where there is an appeal against At Risk status this must be resolved before concluding the selection process for the posts for which they are in a selection pool.)	CO/Departmental HR
13	30/3/16	Appeals lodged (against selection decision)	Individual/ Departmental HR
14	4/4/16	Appeals heard (as above). Posts no longer At Risk, confirm by letter. Post still At Risk, send Pre-Committee letter: must include effective date of redundancy and date notice to be given	CO/Departmental HR Departmental HR Departmental HR
15	By 6/4/16	Prepare CMT report for accessing Restructures Fund (subject to appeals).	BT/CO:HR
16	12/4/16	Executive Briefing on budget	BT
17	13/4/16	CMT consider report on Restructure Fund subject to appeals and budget consultation	CMT
18	18/4/16	Finalise report for Special Employment Committee and LJC	BT/Directors/CO: HR
19	10/5/2016	Executive approves budget	Executive
20	10/5/2016	Local Joint Committee Special Employment Committee	Directors/CO:HR
21	11/5/2016	Write out to staff. Notice period begins 1 – 3 months	Departmental HR
22	11/6/2016 – 11/9/2016	New structures/posts become live	Departmental HR/Director/CO