

	<h2>General Functions Committee</h2> <h3>2 December 2015</h3>
<b>Title</b>	<b>Staffing Re-organisations 2016/17</b>
<b>Report of</b>	Chief Operating Officer and Director for Human Resources
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix 1 - Adults and Communities Consultation Appendix 2 - Medium Term Financial Strategy Appendix 3 - Revenue Budget Proposals Plan
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### Summary

Prior to Full Council setting the budget for 2016/17 (following consideration by and recommendations from the Policy and Resources Committee to Council) the General Functions Committee is being appraised of the total impact of the proposals on the workforce as the Committee with responsibility for 'staff matters' section 15, Council Constitution). In this case, staff matters include proposed changes to the overall establishment of the Council through reductions in the workforce that may lead to redundancies or reorganisation of functions, including staffing. Such changes being made with regard to the Council's obligations under statute and our Human Resources regulations to ensure full consultation with employee representatives (trade unions) and with the workforce is commenced at the appropriate time.

### Recommendations

**That the General Functions Committee:**

- 1. Agrees the impact on performance, staff and equalities as set out in section 5 of the report.**
- 2. Agrees that the Director for Human Resources commence consultation with employees and Trade Unions in accordance with the requirements for**

**statutory consultation and collective bargaining where there are changes proposed to terms and conditions potential impacts on individual roles or groups of staff.**

- 3. Requests the Chief Operating Officer, together with the Director of Human Resources, to report back to the Committee at the conclusion of consultation and prior to implementation of the proposed restructure and/or changes to terms and conditions of employment.**

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 The annual business planning cycle enables Members to set the strategic direction of the Council. As part of this, the Council's theme Committees have been reviewing commissioning intentions and options to ensure the Council operates within the resources it has, as set out in the Medium Term Financial Strategy.
- 1.2 Prior to Full Council setting the budget for 2016/17 (following consideration by and recommendations from the Policy and Resources Committee to Council) the General Functions Committee is being appraised of the total impact of the proposals on the workforce as the Committee with responsibility for 'staff matters' (section 15, Council Constitution). Such changes being made with regard to the Council's obligations under statute and our Human Resources regulations to ensure full consultation with employee representatives (trade unions) and with the workforce at the appropriate time.
- 1.3 Before entering into consultation with trade unions and employees, the General Functions Committee is being advised of the proposals.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The Council is legally obliged to consult with staff where resulting from these proposals are proposed changes to terms and conditions and staffing numbers requiring consultation and implementation at a later date.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The Council is already reducing the use of agency staffing as a means of controlling workforce costs. We have considered reducing agency usage further however it is not recommended to be taken forward as a specific proposal as agency staffing reductions does not always result in revenue savings; agency posts are useful when seeking to avoid redundancies by prioritising employees into posts filled by temporary employees. Agency workers can provide a flexible workforce at a time of significant change.
- 3.2 The Council has in place a redeployment pool to mitigate and avoid the cost and impact of redundancies. Potential redundancies are identified through service specific consultation with trade unions and employees. The Council could issue a single consultation at this point, although this is not recommended given the breadth and timetabling of the proposals.

Additionally, to ensure meaningful consultation is undertaken, detailed proposals would be required.

#### **4. POST DECISION IMPLEMENTATION**

- 4.1 Following the decision of the Committee, officers will consult with trade unions and employees about the staffing proposals. At the same time, officers will undertake work under delegated powers to consult with staff and trade unions on specific proposals for implementation from the 1 April 2016.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

- 5.1.1 The following Corporate Priorities and Performance will be enhanced; health and social care will be personalised and integrated, with more people supported to live longer in their own homes and a clean and attractive environment, with well-maintained roads and pavements, flowing traffic, increased recycling.

##### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 As a result of the decision, the reduction in staffing establishment will reduce the resources allocated to the Council's establishment.

##### **Revenue**

- 5.2.2 The Medium Term Financial Strategy (MTFS) (Appendix 2) sets out the £81.1m savings target for the Council based on a number of assumptions. This includes the pay award agreed by the national Joint Negotiating Committees for local government employees, teachers and staff on other terms and conditions of employment. It should be noted that the recently agreed pay award for local government workers is greater than the assumptions.

- 5.2.3 The revenue budget proposals plan (Appendix 3) will enable the Council to meet its £81.1m savings target as set out in the MTFS (Appendix 2). While these savings have been agreed by relevant theme Committees, the proposals are still waiting for approval from Policy and Resources Committee on the 16 December 2015.

##### **Capital**

- 5.2.4 There has been a Capital Needs Assessment for the Council and this will be considered for approval at Policy and Resources Committee on the 16 December 2015. There will be no direct implications on the capital budget for staffing matters arising from the budget proposals for 2015/16.

## **Staffing**

- 5.2.5 The proposals in this report will have an impact on staffing across the organisation and a reduction in the Council's establishment. A number of proposals will result in a reduction in posts in the organisation. For 2016/17, this impact is summarised as follows in table 1:

	<b>FTE reduction</b>
Adults and Communities	47.5
Family Services	0
Streetscene	12
Commissioning Group	0
<b>Total</b>	<b>59.5</b>

### **Adult and Communities**

- 5.2.6 Adults and Community Services are undertaking a full delivery unit review to further improve the delivery unit efficiencies and performance. Specific proposals and consultation will take place prior to 1 April 2016 to allow for full year savings.

It is proposed that consultation with employees and trade unions will begin on 3 December 2015 and subject to that detailed consultation, it is expected to report back to Committee for approval with implementation of the proposals with effect from the 1 April 2016. As part of this, there is expected to be between 10 and 20 employees placed at risk of redundancy.

### **Family Services**

- 5.2.7 The Council is currently consulting with residents and other stakeholders, about proposals for Library services within Family Services delivery unit. The public consultation is expected to close on 6 January 2016. We are considering the options for in-house provision. The specific proposals and future operating model will require consultation with employees and trade unions.

### **Street Scene**

- 5.2.8 Streetscene Services will consult on proposals for savings in 2016/17 relating to Green spaces which will involve the reduction of mowing teams from 10 to 9 reducing costs by £150,000 and reducing the number of staff by 4 FTE. It is not expected that this will result in any redundancies.

In addition it is proposed to restructure enforcement and site officers. This restructure will separate the trade waste service and enforcement function. It is expected that all of the 4FTE staff involved will either be appointed to roles within the new service or redeployed to other roles within Street Scene.

It is proposed to restructure the Transport team, the proposals include the deletion of 7 FTE posts and the creation of 3FTE posts resulting in saving of £165,811.

### **Commissioning Group**

- 5.2.9 The Commissioning Group, including functions for commissioning, assurance, financial strategy, commercial and customer strategy and the Council's policy and strategy has already completed the reorganisation and reduction of senior management positions (and the associated administrative support functions). The 'strengthening commissioning' through reviewing commissioning functions across the Council is now complete. At this stage there are no proposals for structural changes although it is anticipated that savings of £1.1 million will be identified in 2016/17.

### **Education and Skills**

- 5.2.10 The Children, Education, Libraries and Safeguarding Committee at its meeting on 18 November 2015 made recommendations to full Council that Mott MacDonald Ltd trading as Cambridge Education be selected as the Council's preferred bidder for the future delivery of Education and Skills services and that the Council enters into a strategic partnering arrangement with Mott MacDonald Ltd trading as Cambridge Education, including entering into a services contract and a partnering agreement.

### Proposed Changes to Terms and Conditions of Employment

- 5.2.11 Staff would transfer directly to the providers, i.e. Cambridge Education or ISS as appropriate, enabling them to benefit from being employed by established organisations that specialise in their area of expertise. Enhanced TUPE arrangements would apply, in accordance with the Council's current requirements; and ISS have committed to paying employees the London Living Wage after the Council ceases to fund the differential.
- 5.2.12 Council-wide proposals for a reduction in the overall cost of terms and conditions through a review of enhancements, pay protection, incremental progression and occupational schemes (such as sickness, parental leave) are currently being negotiated with trade unions. There is no proposal to reduce basic pay, although the introduction of a new pay and grading model will impact some employees, for which the Council will be consulting with trade unions on how to support employees detrimentally affected by the proposals. These proposals along with the Equality impact assessment will be presented to General Functions Committee early in 2016 for approval.
- 5.2.13 For 2016/17, consultation with staff will take place in accordance with the Council's human resources regulations and policies. As part of this, trade unions will receive the Council's budget proposals and will be asked to meet with senior managers of the Council. We are also currently in negotiation with trade unions about the terms and conditions savings.
- 5.2.14 For proposals affecting teams within individual delivery units, consultations will take place at a local level with employees and trade unions, normally for a period of between 30 and 45 days. For restructures affecting 20 or more employees, the outcome of the consultation and the recommended structures

will be put to the General Functions Committee for approval.

5.2.15 Proposals, once determined, could potentially have workforce implications which may result in redundancies. The Council will seek to mitigate redundancies through the redeployment process and a reduction in agency usage. Any substantial changes are subject to consultation as guided by Council's Managing Organisational Change Policy and will be subject to consultation with employees and trade unions and equality impact assessments before implementation. Overall it is anticipated that there will be less than 30 redundancies and we will continue to work with affect individuals to seek appropriate redeployment.

### 5.3 **Social Value**

5.3.1 The Committee is advised that the Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

### 5.4 **Legal and Constitutional References**

5.4.1 All proposals to reduce staff must be considered in terms of the Council's legal powers its statutory obligations, the need to comply with the Public Sector Equality Duty and the duty to consult under s188 Trade Union and Labour Relations (Consolidation) Act 1992, both of which are set out below.

5.4.2 Under section 15 of the Constitution the General Functions Committee is responsible for staff matters (i.e. salaries and conditions of service) other than those within the remit of Chief Officer Appointment Panel.

5.4.3 In accordance with the HR Regulations in the Constitution, where there is a proposed organisational restructure involving 20 staff being put at risk of redundancy or TUPE or there are changes to terms and conditions of employment, a report must be made to the General Functions Committee for approval.

### 5.5 **Risk Management**

5.5.1 There is a risk that the savings and efficiencies proposed for the 2016/17 are not delivered either on –time or through changes to proposals. To manage this risk, each delivery unit is responsible for ensure meaningful consultation is undertaken to explain the objectives, the impact and to seek views from employees and trade unions on alternatives to the proposals to achieve savings.

5.5.2 There is a risk of legal challenge or dispute should the Council not undertake consultation at the appropriate point or for a reasonable length of time. The Council has in place a Managing Organisational Change Policy that provides guidance to avoid such challenge.

5.5.3 Through the Council's employee relations mechanisms, we seek to avoid dispute through regular local meetings between trade unions and senior

managers. There is also a regular monthly meeting between trade unions and the HR Director. Should matters reach a potential dispute, the Council's People Management Group (PMG) and the General Functions Committee are points of escalation. Through such mechanisms we seek to avoid disputes and challenge.

## **5.6 Equalities and Diversity**

5.6.1 The Council has undertaken an Equality Assessment for each proposal which will be published when entering into each consultation. The EIAs are currently showing the following impacts:

5.6.2 At the start of consultation, as part of the local consultation documents.

## **5.7 Consultation and Engagement**

5.7.1 The Council has recently been improving internal communication and engagement with employees and proposed changes affecting the Council, functions of the Council or their specific area.

5.7.2 Our duty is to consult with employee representatives (trade unions) in compliance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992. Collective consultation with the trade unions, and directly with employees, will take place following decisions by the Policy & Resources Committee and the General Functions Committee in December 2015.

5.7.3 Consultation will take the form of the provision of the full set of documents made available to the Committee today, staffing data including vacancy reporting, agency usage and turnover. A meeting will be convened with trade unions to receive representations, comments and a formal response before the end of January 2016.

5.7.4 There will be staff consultation about these proposals in compliance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992. The duty to consult arises where the employer is proposing to dismiss as redundant 20 or more employees at one establishment within a period of 90 days or less. If the duty arises, then the Council must also notify the Secretary of State.

5.7.5 The Council has in place a Managing Organisational Change Policy to guide it in consultation with employees and trade unions for proposals relating to the organisation of functions (including job functions and structures).

### **Public Sector Equality Duty**

5.7.6 The general duty on public bodies is set out in section 149 of the Equality Act 2010.

5.7.7 A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) Advance equality of opportunity between persons who share a relevant

protected characteristic and persons who do not share it; and

- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.7.8 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it; and
- (c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

5.7.9 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

5.7.10 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, the need to:

- (a) Tackle prejudice, and
- (b) Promote understanding.

5.7.11 Compliance with the duties in this section may involve treating some persons more favourably than others but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

5.7.12 The relevant protected characteristics are:

- Age;
- Disability;
- Gender reassignment;
- Pregnancy and maternity;
- Race;
- Religion or belief;
- Sex; and
- Sexual orientation.

5.7.13 It also covers marriage and civil partnership with regard to eliminating discrimination.



5.7.14 Through the consultation with employees and trade unions, the Council will provide an Equalities Impact Assessment together with a final Equalities Impact Assessment on any reports that are present to General Functions Committee. Changes proposed should support the objectives of the Council through proportionate and legitimate means.

5.7.15 Decision makers should have due regard to the public sector duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. Consideration of the duties should proceed the decision. It is important that decision makers have regard to the statutory grounds in the light of all available material.

## 5.8 **Insight**

5.8.1 Insight data is not applicable in the context of this report.

## 6. **BACKGROUND PAPERS**

6.1 No background papers were used in compiling this report.