

WIRRAL COUNCIL

CABINET

8 NOVEMBER 2012

SUBJECT:	WORKFORCE CHANGE AND CONSULTATION
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF EXECUTIVE
RESPONSIBLE PORTFOLIO HOLDER:	CABINET MEMBER EXECUTIVE MEMBER CORPORATE RESOURCES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 The purpose of the report is to seek authority for the Chief Executive to consult with the Trade Unions and workforce on a range of issues to enable the council to meet its budget deficit for 2013/14

2.0 BACKGROUND AND KEY ISSUES

2.1 The Council is facing a considerable financial challenge to reduce the net Council budget. The current position is that the Council is facing a budget deficit of £100m over the next three years and a projected deficit of £39M for 2013/14. This will necessitate significant changes to the manner in which the Council conducts its business. The Council has completed its first stage of consultation with the community with the response reported back to Cabinet at this meeting, 8 November 2012. Officer options for budget savings will be published shortly. These have the potential to change service delivery which will potentially impact on staff. This requires consultation at the earliest possible opportunity.

2.2 The Council has a legal obligation to consult with the workforce on the Business and service changes that may affect the workforce. The requirements for consultation are laid out in the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA). The Council would welcome consultation with our Trades Unions and staff to consider all proposals to meet the financial challenge.

2.3 The issues requiring consultation are as follows:

- 1). The first option for consideration is to reduce the running costs for the Council through its management costs. The Chief Executive brought a proposal to the Cabinet on 18 September 2012 to strengthen the strategic leadership for the Council as part of the Improvement programme. At that stage it was agreed that further re-structure would follow to fund the new roles of Strategic Director and also to reduce the overall management cost for the Council. To deliver this agreement,

the Council will consider options to reduce the number of managers across the Council. This option will require consultation with all managers and Trade Unions.

- 2). The Council currently employs its workforce on national and local conditions of service. The local conditions of service are subject to local agreement through a collective agreement with recognised Trade Unions (JNC Recognition Agreement with Trade Unions). Consultation with recognised Trade Unions and staff is required to consider options to reduce the cost of the workforce and so reduce the potential numbers of job losses.
- 3). Options need to be considered with the aim of reducing the costs to the Council and the local tax payer of the Council's enhanced discretionary severance scheme. The aim would be to seek ways to reduce the costs, which will in turn protect more jobs and services, while keeping an enhanced scheme to reduce the potential impact on the lowest paid.
- 4). In the event that the scheme is modified any staff leaving after a new scheme comes into effect have to leave on the new terms, regardless of when the dismissal process began. In order to manage expectations, it is recommended that the current voluntary redundancy scheme is suspended immediately/
- 5). The Council has a requirement to implement the final stages of job - evaluation, under the (national joint agreement with date). Further consultation will enable the Council to explore options concerning the arrangements to implement job evaluation for those staff on grade principal officer (earning over £27,849 and above). This will enable the Council to implement a legally fair, affordable and sustainable pay policy at this level.
- 6). In seeking to set the budget for 2013/14, the Council has consulted with the community on a range of areas to explore. In response to the first stage of consultation, reported to this Cabinet, the Chief Executive will publish a range of officer options for the budget savings 2013/14. Those options will be considered by elected members through a series of Scrutiny Committees and with the public through specific targeted consultation. Whilst no decisions are made on the future of services, any options that are being considered that potentially impact on staff require consultation at the earliest possible stage. Consultation with staff does not pre-empt community consultation or the Council's decision making process, but is required if options are being considered that affect our workforce.

3.0 RELEVANT RISKS

- 3.1 The Council is required to set a legal and balanced budget for 2013/14 and is facing an estimated budget deficit of £39M for 2013/14 as part of a total

saving of £100m over the next three years. All options must be considered to minimise the risks to the council and services to our community.

- 3.2 In considering all options the council has a legal requirement to consult with staff and Trade Unions, to minimise the legal challenge concerning the impact on staff.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 All options for addressing the Council's budget deficit are being considered. Consultation formal and informal gives a welcome opportunity to explore all options before final decisions are made which may impact on our workforce.

5.0 CONSULTATION

- 5.1 Consultation with Trade Unions and staff is both a legal requirement under the TULRCA, good practice under ACAS guidelines and a key principle in the Council's employment policies.
- 5.2 The council will seek to agree with the union the criteria to be applied in the event of selecting staff to be made redundant.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 None

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 This report concerns the Council's workforce

8.0 LEGAL IMPLICATIONS

- 8.1 While the potential liability for a failure to consult collectively is one of the most expensive liabilities that a council may face in employment law, it goes without saying that the council faces other potential liabilities in any potential redundancy programme, not least the risk of liability for unfair dismissal. Although discharging the obligation to collectively consult does not of itself protect the council from liability for unfair dismissal, if collective consultation is carried out properly, the risk of a successful unfair dismissal claim will be reduced.

The usual benchmarks of fairness would include:

- The council should give as much warning as possible of impending redundancies so as to enable the Trade Unions and staff who may be affected to take early steps to inform themselves of the relevant facts, consider possible alternative solutions and, if necessary, find alternative employment with the council or elsewhere.
- Consulting the Trade Unions as to the best means by which changes can be achieved fairly with all options to mitigate the effect on staff considered.

8.2 Appropriate collective consultation will go some way towards ensuring that any potential dismissals are fair. The fact that the employer attempted to consult with the trade union on these points will assist in showing that any dismissal is fair.

9.0 EQUALITIES IMPLICATIONS

9.1 Equality impact assessments are published for all options for change. All equalities issues are considered as part of consultation.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 Not applicable for this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 Not applicable for this report.

12.0 RECOMMENDATION/S

12.1 That the Chief Executive is authorised to:

- a) Open formal consultation with Trade Unions and staff under TULRCA and as a matter of good practice on:
 - 1. Changes to the council's enhanced discretionary severance scheme policy under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.
 - 2. Changes to the local conditions of service.
 - 3. The terms upon which to implement the final stages of Job -evaluation, under the 1997 National joint agreement.
 - 4. The potential impact on staff of the officer budget options
- b) Immediately suspend of the council's existing employee enhanced Voluntary Severance Scheme.

12.2 To recommend to the Employment and Appointments Committee that this report is considered and the Chief Executive is authorised to open consultation as outlined in Recommendation 12.1 (a) and that Recommendation 12 (b) is implemented.

The Chief Executive will report back on the progress of consultation the special budget Cabinet on 20 December 2012.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 The Council has to set a legal and balanced budget for 2013/14. The aim is to protect as far as it can, front line services for vulnerable people. All options for reducing costs are being considered. Consultation is required under TULRCA on the potential impact of any options being considered with the aim of

minimising job losses. Consultation is required as part of a collective bargaining position on current local conditions of service. The Council's policies require consultations as good practice. All consultation is an essential and welcome part of working with our Trade Unions and staff to address the significant financial challenges the council faces

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APPENDICES

None

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date