

# EMPLOYMENT AND APPOINTMENTS COMMITTEE

Thursday, 8 November 2012

Present: Councillor P Doughty (Chair)

Councillors G Davies AER Jones  
P Davies P Kearney  
M Johnston AR McLachlan

Deputies Councillors G Watt (In place of JE Green)  
D Elderton (In place of L Rennie)

## 36 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Councillors George Davies and Adrian Jones declared disclosable non-pecuniary interests as members of a Trade Union.

## 37 WORKFORCE CHANGE AND CONSULTATION

A report by the Chief Executive sought authority for him 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.

The Head of HR and Organisational Development introduced the report informing the Committee that the Council was facing a considerable financial challenge to reduce its net budget. The current position was that the Council was facing a budget deficit of £100m or so over the next three years and a projected deficit of £39M for 2013/14. The Committee was told that this would necessitate significant changes to the manner in which the Council conducted its business.

The report informed the Committee that officer options for budget savings would be published shortly. These had the potential to change service delivery which would potentially impact on staff. This, therefore, required consultation at the earliest possible opportunity.

All options for addressing the Council's budget deficit were being considered.

It was noted that the Council had a legal obligation to consult with the workforce on business and service changes that may affect the workforce. The requirements for consultation were laid out in the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRCA). The Council welcomed consultation with the Trade Unions and staff to consider all proposals to meet the financial challenge.

The Committee noted that the issues requiring consultation were as follows:

- (1) There was a proposal to reduce the running costs for the Council through its management costs. The Chief Executive had brought a proposal to strengthen the strategic leadership for the Council as part of the Improvement Programme to meetings of the Cabinet and this Committee on 18 September 2012 (Minute No. 21 refers). At that stage it was agreed that further restructuring 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 would consider options to reduce the number of managers across the Council. This option would require consultation with all managers and the Trade Unions.
- (2) The Council currently employed its workforce on national and local conditions of service. The local conditions of service were subject to a local agreement through a collective agreement with recognised Trade Unions (JNC Recognition Agreement with Trade Unions). Consultation with recognised Trade Unions and staff were required to consider options to reduce the cost of the workforce and so reduce the potential numbers of job losses.
- (3) Options needed 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 would in turn protect more jobs and services, whilst keeping an enhanced scheme to reduce the potential impact on the lowest paid.
- (4) In the event that the scheme was modified any staff leaving after a new scheme came into effect had to leave on the new terms, regardless of when the dismissal process began. In order to manage expectations, it was recommended that the current voluntary redundancy scheme be suspended immediately.
- (5) The Council had a requirement to implement the final stages of job - evaluation, under the (national joint agreement with date). Further consultation would 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 would 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 had consulted with the community and explored a range of areas. In response to the first stage of consultation, reported to the Cabinet and this Committee, the Chief Executive would publish a range of officer options for the

budget savings 2013/14. Those options would be considered by Members through a series of Overview and Scrutiny Committees and with the public through specific targeted consultation. Whilst no decisions were made on the future of services, any options that were being considered that potentially impacted on staff required consultation at the earliest possible stage. Consultation with staff did not pre-empt community consultation or the Council's decision-making process, but was required if options were being considered that affected the workforce.

Councillor Mark Johnson asked the following questions which were answered by the Head of HR and Organisational Development as appropriate:

- What options were available to those staff members who had previously applied to leave the organisation under the enhanced voluntary severance scheme and been refused because their jobs had been classed as essential at that time? The issue of fairness was highlighted here.
- Had the Council mitigated the risks of what was being proposed?
- Was the Council complying with good practice?

**RESOLVED: That**

- (1) the Chief Executive be authorised to open formal consultation with trade unions and staff under TULRCA and as a matter of good practice on:**
  - (a) 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;**
  - (b) changes to the local conditions of service;**
  - (c) the terms upon which to implement the final stages of Job Evaluation, under the 1997 National joint agreement; and**
  - (d) the potential impact on staff of the officer budget options including redundancy.**
- (2) the Chief Executive be authorised to immediately suspend applications to the Council's existing employee enhanced Voluntary Severance Scheme.**
- (3) the Chief Executive be authorised to recommend to the Employment and Appointments Committee that this report be considered and the Chief Executive be authorised to open**

**consultation as outlined in Recommendation (1) and that recommendation (2) above be implemented; and**

- (4) the Chief Executive be instructed to report back on the progress of the consultation to the special budget Cabinet and Committee meetings scheduled for 20 December 2012.**