

Update on staffing implications of 2015/16 MTFP

SUMMARY

- 1.1 This report provides an update on the staffing implications of the budget for 2015/16, and notes that the formal trade union consultation process has been concluded.
- 1.2 In line with the Council's approach to previous consultation on the budget, regular corporate Trade Union budget consultation meetings have been held to help to ensure that the Council meets its statutory consultation obligations. Trade Union budget consultation meetings have been held since 27 November 2014. The corporate consultation has now concluded. Local consultation on directorate restructure proposals to deliver staffing savings has been held throughout.
- 1.3 As the local consultation on the restructure proposals has progressed, voluntary redundancy requests have been considered, and where appropriate, approved. As at 31 May 2015, 70 employees have left the Council by reason of voluntary redundancy. The Council will continue to make employees aware of the standard Voluntary Redundancy scheme, and will continue to try to maximise opportunities for voluntary redundancy where possible.
- 1.4 Following appropriate consultation, a number of employees are now at risk of compulsory redundancy. As at 20 May 2015, the anticipated number of staff who may be dismissed by reason of redundancy was 123. Twelve employees have already left the Council by reason of redundancy. Redundancy dismissals are being made in accordance with the existing Consultation, Restructuring and Redundancy Policy.

We will continue to make all efforts to find suitable alternative employment for those staff at risk of compulsory redundancy.

RECOMMENDATION

- 2.1 To note the report and that the formal trade union consultation process has concluded.

REASONS FOR RECOMMENDATION

- 3.1 We have a legal duty to consult with our Trade Union representatives on the method of selection of compulsory redundancy. The Council's Consultation, Restructuring and Redundancy Policy and supporting guidance have been developed in formal consultation with Trade Union representatives and define how selection will be achieved through restructurings.

SUPPORTING INFORMATION

- 4.1 In line with the Council's approach to previous consultation on the budget, regular corporate Trade Union budget consultation meetings have been held to help to ensure that the Council meets its statutory consultation obligations. Trade Union budget consultation meetings have been held since 27 November 2014, and regularly during the consultation process.
- 4.2 A Section 188 letter was issued to the Trade Unions on 15 December 2014 to open consultation over possible dismissals on the grounds of redundancy, and to enable the Council to actively seek applications for voluntary redundancy in order to mitigate potential compulsory redundancies.
- 4.3 In addition to the regular corporate Trade Union budget consultation meetings, directorates have been consulting locally on their restructure proposals to deliver staffing savings. Updates on the progress of local consultation have been shared at the corporate Trade Union budget consultation meetings.
- 4.4 As agreed through formal consultation with the trade unions, the selection method for any compulsory redundancies is accordance with the Council's Consultation, Restructuring and Redundancy Policy.
- 4.5 Applications for voluntary redundancy on the Council's standard Voluntary Redundancy scheme have been sought actively, in order to mitigate potential compulsory redundancies. As the local consultation on the restructure proposals has progressed, voluntary redundancy requests have been considered, and where appropriate, approved. The standard Voluntary Redundancy scheme has been promoted to employees to maximise take up.

- 4.6 In the last four financial years, the Council has seen a reduction in its staffing levels as a result of MTFP budget proposals, transformation and efficiency. Deletion of vacant posts has always been the first consideration, but the Council also has experienced a reduction in staffing levels through voluntary redundancy –VR- and compulsory redundancy- CR. The opportunity to enable VR, subject to agreed criteria, always has been considered in order to mitigate potential compulsory redundancies. The headcount and FTE reduction figures as a result of VR and CR are detailed below.

CORPORATE VR/CR				
	VR	VR	CR	CR
Savings Year	Headcount	FTE	Headcount	FTE
2011-2012	430	337.2	31	23.2
2012-2013	330	217.3	30	22.7
2013-2014	208	162.4	47	6.6
2014-2015	82	64.6	45	30.4
Total	1050	781.5	153	82.9

OTHER OPTIONS CONSIDERED

- 5.1 Not achieving the savings required will mean that the Council will not achieve a balanced budget.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Janie Berry – Director of Legal and Democratic Services and Interim Director of HR Martyn Marples – Director of Finance Liz Moore – Acting Head of HR
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For more information contact: Background papers: List of appendices:	Name Liz Moore 01332 643730 e-mail liz.moore@derby.gov.uk None Appendix 1 – Implications
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IMPLICATIONS

Financial and Value for Money

- 1.1 Costs associated with any compulsory redundancies will be paid for from the Council's corporate redundancy cost reserve.

Legal

- 2.1 Section 188 requirement to consult with Trade Unions to reach agreement on selection methods for compulsory redundancy
- 2.2 The Council has a legal obligation to set a balanced budget.

Personnel

- 3.1 The Council's Consultation, Restructuring and Redundancy policy and supporting guidance has been developed through formal consultation with Trade Union representatives in accordance with our statutory obligations, and has been used for all associated activity during the last three years.

Equalities Impact

- 4.1 None

Health and Safety

- 5.1 None

Environmental Sustainability

- 6.1 None

Asset Management

- 7.1 None

Risk Management

- 8.1 None

Corporate objectives and priorities for change

- 9.1 There is a close relationship between the budget and the Council's corporate outcomes. This report supports this relationship through the delivery of the Council's budget position.