

## **Budget 2014/15 and trade union consultation**

### **SUMMARY**

- 1.1 This report provides details of the staffing savings required to be delivered for 2014/15, and the process for managing any potential compulsory redundancies that might be necessary following a period of consultation.
- 1.2 The budget proposals have identified that approximately £29 million savings are required for 2014/15 and a further £31 million savings required for 2015/16. A proportion of the budget proposals have staffing reduction implications.
- 1.3 In line with the Council's approach to previous consultation on the budget, regular corporate Trade Union budget consultation meetings have been set up to help to ensure that the Council meets its statutory consultation obligations. The Council is consulting with the Trade Unions about the budget proposals for 2014/15. Trade Union budget consultation meetings have been held on 30 October 2013 and 5 November 2013 with a further meeting scheduled for 13 November 2013. Additional meetings are being scheduled on a weekly basis during the consultation process.
- 1.4 At the Trade Union budget consultation meeting on 5 November 2013, the Trade Unions were formally notified that up to 350 FTE reduction may be required by 30 September 2014 to balance the 2014/15 budget. A Section 188 letter was issued to the Trade Unions on 5 November 2013 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.
- 1.5 Directorates have been developing their restructure proposals to deliver staffing savings and it is anticipated that the details of the directorate-specific proposals will have been shared with the Trade Unions on 13 November 2013. Local consultation will also take place on each service-specific restructure proposal.
- 1.6 Any redundancy dismissals that might be necessary following the appropriate period of consultation will be made in accordance with the existing Consultation, Restructuring and Redundancy Policy. The Policy has been subject of on-going Trade Union consultation throughout the previous three budget savings programmes.
- 1.7 The Council is not able to offer an enhanced voluntary redundancy package as it has done in previous years. However, the Council's standard Voluntary Redundancy scheme is available for employees to apply. 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.

## **RECOMMENDATION**

- 2.1 To note that the Council has formally notified the Trade Unions on 5 November 2013 that up to 350 FTE reduction may be required by 30 September 2014 to balance the budget.
- 2.2 To note the established dismissals process for any compulsory redundancies arising out of a restructuring process covered under collective consultation which is detailed in the Council's Consultation, Restructuring and Redundancies policy and guidance.

## **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.
- 3.2 The restructuring process follows a well-established and agreed slotting/matching process, which examines the proportion of change to the duties of a post and seeks to match potential candidates whose current duties most closely align. Competitive selection interviews take place where there are more matched candidates than posts. This is a fair, open, objective and transparent process which allows employees to demonstrate how they meet the requirements of the new/revised post.
- 3.3 Employees who are not matched against posts in a new structure are considered at risk of redundancy. If an employee who is at risk of redundancy meets the essential criteria for a vacant or unfilled post, they are offered a ring fenced selection process for that post. This is where selection is restricted to a group of specified employees. The same panel interview process is used for all selection interviews.
- 3.4 In addition, any employees at risk of redundancy are also placed on the redeployment register. This enables them to have priority access to any vacancies across the whole of the Council.
- 3.5 Any employee left without a role following this process will be invited to individual consultation meetings with their line manager and companion/TU representative, where they have the opportunity to propose and discuss alternative suggestions. Only if the employee is still without a role after this consultation process is complete will the employee be made compulsory redundant in accordance with the guidance outlined in the Policy.

## **SUPPORTING INFORMATION**

### **4.1 Formal Notification of Redundancies**

The Section 188 Letter to Trade Unions and the HR1 to the Department of Business and Innovation and Skills have forecast that up to 350 FTE redundancies may be required to meet the savings target. This will be updated as further details on the Financial Settlement due in late December 2013/early January 2014 are known.

### **4.2 Consultation, Restructuring and Redundancy Policy**

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.

### **4.3 Consultation on Budget Proposals**

Consultation continues with the trade unions at the scheduled weekly Trade Union Budget Consultation meetings and with the public over the budget proposals. All proposals and suggestions will be considered in mitigating compulsory redundancies.

### **4.4 Voluntary redundancy**

The Trade Unions were advised in the last consultation period that the Council could not afford to continue to pay the enhanced voluntary redundancy payments, and the previous offer of enhanced voluntary redundancy was the last time that the Council would be able to pay the enhanced rate. This has been confirmed again to the Trade Unions at the budget consultation meeting on 5 November 2013. However, applications for voluntary redundancy on the Council's standard Voluntary Redundancy scheme are being actively sought, in order to mitigate potential compulsory redundancies. The standard Voluntary Redundancy scheme has been promoted to employees to maximise take up, and it will continue to be promoted.

### **4.5 Restructurings**

Managers have provided restructure proposals and draft structures which are the subject of both corporate and local consultation with the Trade Unions.

## **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:**

<b>Legal officer</b>	N/A
<b>Financial officer</b>	N/A
<b>Human Resources officer</b>	Liz Moore – Strategic HR Business Partner
<b>Estates/Property officer</b>	N/A
<b>Service Director(s)</b>	Karen Jewell – Director of HR and Business Support
<b>Other(s)</b>	N/A

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**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

**Property and 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.