

BlindCraft

City of Edinburgh Council

10 February 2011

1 Purpose of report

- 1.1 The purpose of this report is to update the Council on progress made on consultation with the Trade Unions and the Equalities Impact Assessment on the move to a three day working week together with a reduction of staff numbers.

2 Summary

- 2.1 This report describes the consultation that has been undertaken with the Trade Unions and staff to develop a Local Collective Agreement, and the work undertaken to complete an EQIA for the option of introducing a 3-day working week at BlindCraft with a reduction of staff numbers.

3 Background

- 3.1 The Council, on 18 November 2010, considered a report that summarised the options for meeting a budget saving of £700,000, as per the Budget Motion 2009/10. These options were narrowed down to two - a re-focus to becoming a more training oriented business or full closure. However, the report noted that only the option of closure met the required savings.
- 3.2 During the statutory consultation on possible closure and redundancies, two further options had been considered - a move to a four day week and a move to a three day week. The Trade Unions had previously rejected these options.
- 3.3 The Council heard a deputation from the UNISON and the Community unions. The deputation said that the proposal for a three day working week with staff reductions would deliver savings but would not come without pain for staff. They asked the Council to hold detailed discussions on redundancy, pensions, etc and for a commitment that there would be no compulsory redundancies.
- 3.4 The Council recognised that the strong preference of the Community Union (which represented the majority of members employed at BlindCraft) was to now implement a three day working week and noted that it favoured a three day working week as opposed to closure.

- 3.5 The Council asked officers to explore the 3-day working week option with the Trade Unions and staff and to report back on the outcome and the Equalities Impact Assessment for this option.

4 Consultation with Trade Unions and Staff

- 4.1 Following the Council meeting on 18 November 2010, discussions have been undertaken with the Trade Unions to develop a Local Collective Agreement to introduce a 3-day working week at BlindCraft for a temporary period. It is aimed at restoring commercial viability and avoiding staff being made redundant.
- 4.2 A number of meetings were held with the Trade Unions and there were regular staff briefings and meetings to keep BlindCraft employees informed of discussions around the Local Collective Agreement and to ensure they were aware of the implications. Staff were also given benefits advice throughout the period.

5 Local Collective Agreement

- 5.1 The Local Collective Agreement sets out:
- All posts at BlindCraft, (except those involved in sales, which remain at five days per week, and the associated tendering and planning posts, which will move to a four day week), will move to a three day week.
 - The change from a five day to a three day working week will result in a 40% reduction in pay for those covered by the change.
- 5.2 The concerns of Trade Unions regarding redundancy protection were taken into account. Other than the initial 12.5 FTE reductions (or cash equivalent saving), it is anticipated that there will be no redundancies during the term of the local agreement.

6 Equalities Impact Assessment

- 6.1 Prior to the Council meeting on 18 November 2010, an Equalities Impact Assessment (EQIA) was completed in relation to the proposal to close BlindCraft. This was circulated to Elected Members, Chief Officials and Trades Unions to inform their decision making. This EQIA also identified a range of mitigating actions to address the negative impacts on employees as a result of closure.
- 6.2 Following the meeting of 18 November 2010, a further EQIA was undertaken for the option of moving to a three day working week and the associated reduction in staff numbers. This EQIA involved face to face interviews with employees at the BlindCraft factory during December 2010 and January 2011. A copy of this EQIA was agreed on 28 January 2011 and a further range of mitigating actions were agreed, some of which are already being progressed by HR and other council staff.

7 Timescales

- 7.1 For there to be a valid collective agreement, the Council would expect:
- a) each recognised union to confirm its acceptance; or
 - b) an acceptance by the unions as a Trade Union side (e.g. majority of unions accept or majority of overall trade union membership).
- 7.2 If a local agreement is achieved, the terms would apply to Trade Union and non-Trade Union members alike. BlindCraft employees would not have the option to opt-out of the 3-day working arrangement once it is operational. Further consideration of the need for job reductions would take place as part of the 6/12 month reviews.
- 7.3 The Trade Unions are seeking the views of their members on the 3-day working proposal. Individual meetings and briefings have been held with employees to ensure that they have sufficient information to enable them to vote on the local collective agreement.
- 7.4 In the event of a failure to agree (i.e. majority against or a split union decision), the Department will notify the Council of the outcome. If redundancies become a possibility again, the Council must notify the UK Government and initiate a period of 30 days statutory consultation with the Trade Unions and staff. During this time consideration of alternatives to avoid/mitigate redundancies will take place.
- 7.5 The Trade Unions will have completed their consultations with staff by Friday 4th February 2011 and will advise the Council of the outcome by Tuesday 8th February 2011.
- 7.6 This report has been shared with the Trade Unions.
- 7.7 We will update the Council on the Trade Unions' final decision at the Council meeting on 10th February 2011.

8 Financial Implications

- 8.1 The budget pack proposals, which are currently subject to consideration, include a reduction in the subsidy for BlindCraft. The current level of subsidy is £1.065m.
- 8.2 The proposal to move to a three day working week together with a staff reduction of 10-12 FTE would deliver a saving of £650,000.
- 8.3 Should a Local Collective Agreement on a 3-day working week not be achieved, it is likely that the only option to achieve the £650,000 savings would be to revert to the full closure of BlindCraft. If this were the case, support would be given to BlindCraft employees, as stated in previous reports.

9 Environmental Impact

- 9.1 There are no adverse environmental impacts arising from this report.

10 Conclusions

- 10.1 This report has summarised the consultation that has been undertaken with Trade Unions to develop a Local Collective Agreement, and the work undertaken to complete an EQIA for the option of introducing a 3-day working at BlindCraft with a reduction of staff numbers.

11 Recommendations

- 11.1 It is recommended that the Council:
- a) Notes the consultation undertaken with Trade Unions to produce a Local Collective Agreement.
 - b) Notes the work undertaken to complete an EQIA on the option to move to a three day working week with staffing reductions and on the option for closure.
 - c) Receives an update at the Council meeting on 10th February 2011 on the Trade Unions' position on the 3-day working proposal.
 - d) Notes that in the event that a Local Collective Agreement is not secured, the only option to achieve the £650,000 savings is likely to be to revert to the full closure of BlindCraft.
 - e) Notes the legal requirement to initiate a further period of statutory consultation with the Trade Unions and staff if the possibility of the closure of Blindcraft and redundancies is identified as the way forward.

Peter Gabbitas
Director of Health and Social Care

Appendices	None
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Wards affected	City wide
Single Outcome Agreement	
Background Papers	Equalities Impact Assessment Local Collective Agreement