

Finance and Resources Committee

10.00am, Thursday, 24 September 2015

Managing Workforce Change

Item number 7.4
Report number
Executive/routine
Wards

Executive summary

The Council is going through a period of unprecedented change and is required to address a budget shortfall of £126 m whilst at the same time maintaining outcomes for those who use its services.

Through the transformation programme we are re-designing the organisation based upon a locality model designed to make services leaner, more responsive and agile.

Given the size of the challenge, this will inevitably mean that there will be job losses.

We must support people through the reorganisation of our services whilst ensuring the level of savings required is achieved.

The Council has a current policy setting out arrangements for voluntary early release of staff (VERA). The Council also has a current published Redundancy Procedure (dated 2010) that enables termination of employment on grounds of redundancy, first on a voluntary basis and thereafter, following a period of exploring redeployment opportunities, on a compulsory basis.

Organisational change has been managed over the last few years within a voluntary framework, following the coalition pledge, which has meant that the compulsory element of the Council's existing Redundancy Procedure has not been implemented in recent years.

Links

Coalition pledges P27
Council outcomes CO24/CO26/CO27
Single Outcome Agreement

Managing Workforce Change

Recommendations

- 1.1 That Committee notes that it is intended to enter into further dialogue with the Trade Unions over the next 4 weeks, ensuring that they and their members are fully aware of the Council's financial and strategic outlook and thereafter to bring a further report to the meeting of the Finance and Resources (F&R) Committee on Thursday 29 October 2015 that will:-
 - 1.1.1 provide an update on the further dialogue with the Trade Unions;
 - 1.1.2 provide an update on the targeted approach to staff under the current 'Voluntary Early Release Arrangements (VERA)'; and
 - 1.1.3 seek a decision from Committee to allow redundancies on a compulsory basis as a last resort, in line with the procedures set out in the Council's current Redundancy Procedure (2010).

Background

- 2.1 The Council needs to address a budget shortfall of up to £126m over the next 4 years whilst at the same time improving service delivery to those who use our services.
- 2.2 Through the transformation programme we are re-designing the organisation based upon a locality model designed to make services leaner, more responsive and agile. Given the size of the challenge, this will inevitably mean that there will be job losses.

Main Report

- 3.1 The Council has a current policy setting out arrangements for voluntary early release of staff (VERA). The Council also has a current published Redundancy Procedure (dated 2010) that enables termination of employment on grounds of redundancy, first on a voluntary basis and thereafter, following a period of exploring redeployment opportunities, on a compulsory basis.
- 3.2 Organisational change has been managed over the last few years within a voluntary framework, following the coalition pledge, which has meant that the compulsory element of the Council's existing Redundancy Procedure has not been implemented in recent years. Generally this has been manageable given the relatively small scale changes being made.

- 3.3 However, as the pace of change quickens and the need to make savings becomes more urgent, it is apparent that the voluntary arrangements by themselves will not deliver the scale of change required within the timeframes.
- 3.4 There are a growing number of people on the Council's redeployment list, which is costing the Council sums which it can ill afford. As the pace of change takes hold, this approach will continue to drive up costs where people choose not to leave the organisation on a voluntary basis.
- 3.5 In order to achieve the scale of change demanded of the organisation, we now need to reinstate compulsory redundancy, as a last resort, to ensure we can deliver the savings required.
- 3.6 This change of approach will need to be consulted upon with Trade Unions, when we will also continue to review with them the financial terms upon which staff may be required to leave the organisation.
- 3.7 A paper will be brought back to the next meeting of the F&R Committee to update members on the outcome of that process.

Workforce Change Arrangements

- 3.8 Clearly this is a very difficult position for all staff affected by change and it is important that we provide clarity for staff on the options available to them to enable staff to make informed choices for the future that suit their own particular circumstances
- 3.9 It is important that the current arrangements for Voluntary Early Release (VERA) are explored with staff and over the next 4 weeks we will offer staff the opportunity to apply for VERA in line with current agreed arrangements. This will be done on a targeted basis.
- 3.10 It will also be essential to recognise the importance of redeployment opportunities for staff. It is proposed to introduce a new Redeployment Procedure that widens the search for redeployment to include alternative work, including positions outside the Council, through the new Career Transition Service. Further details of the new Redeployment Procedure will be reported to the next meeting of the Committee.
- 3.11 The Career Transition Service will become fully operational in early October and a dedicated suite has been designed at level 7 of 329 High Street.
- 3.12 A range of services will be offered in conjunction with a partner organisation, Right Management, and direct links have been established with government based services, including Job Centre Plus and PACE as well as our own services delivered through Business Gateway.
- 3.13 Over the next 4 weeks, further details of these arrangements and the options available will be communicated to staff.

Measures of success

- 4.1 The Council achieves its cost savings targets and the organisation is redesigned to make our services leaner and more responsive.
- 4.2 Our staff have clarity on the range of options available to them as a result of workforce change and are able to make informed choices.
- 4.3 Our staff are consulted and engaged through the change process.

Financial impact

- 5.1 The Council's reserves strategy and Long Term Financial Plan provide resources towards the cost of managing the workforce change outlined in this report. This position will be kept under regular review.

Risk, policy, compliance and governance impact

- 6.1 The risk of not having a compulsory element to managing workforce reductions is that Council is unable to meet demanding cost savings.

Equalities impact

- 7.1 There will be close monitoring of how the workforce changes are managed and the impact on all staff groups.

Sustainability impact

- 8.1 None.

Consultation and engagement

- 9.1 The Council's transformation programme has been subject to regular and constructive consultation with Trade Unions.
- 9.2 There will be further consultation with the Trade Unions as set out in this report.

Background reading / external references

None.

Alastair Maclean

Deputy Chief Executive

Contact: Martin Glover, Interim Head of HR and OD

E-mail: martin.glover@edinburgh.gov.uk | Tel: 0131 469 3237

Links

Coalition pledges	P27 - Seek to work in full partnership with Council staff and their representatives
Council outcomes	CO24 - The Council communicates effectively and internally and externally and has an excellent reputation for customer care CO26 - The Council engages with stakeholders and works in partnership to improve services and deliver on agreed objectives. CO27 - The Council supports, invests in and develops our people
Single Outcome Agreement	
Appendices	