



FULL COUNCIL REPORT

Date Written	10 th November 2015
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Service Area	Human Resources
Exempt/Non Exempt	Non-Exempt
Committee Date	25 th November 2015

To: Mayor, Ladies and Gentlemen

Issuing of a Section 188 (Trades Unions and Labour Relations Act 1992) – Formal consultation

1.0 SUMMARY OF THE REPORT

- 1.1 Council will be aware of the budget position for 2016-17 and 2017-18 where we need to find a minimum of £10 million. Because of this there are significant challenges to face regarding the future of the Council.
- 1.2 The significant amount of savings required has resulted in a need to shrink the organisation. Although the aim is always to minimise redundancies as far as possible, the situation is such that there is no choice but to declare in the region of 160 to 200 redundancies.
- 1.3 It should be noted that officers of the Council have had a continued dialogue with the trades unions since 2013, where the unions are involved in discussions on employee matters. To date these have been productive and effective.
- 1.4 In addition to the current ongoing meetings with the trades unions, the Council has a legal obligation to formally notify recognised trades unions if more than 20 jobs are proposed to be made redundant over a 90 day period. The first stage of this process is to issue an initial formal notice to the unions (Section 188) setting out the numbers affected, timeline and the way in which it is proposed to make the redundancies.
- 1.5 Due to the change programme running over two years with multiple projects, there may be a need to issue more than one Section 188 throughout the lifetime of the change programme. This is standard practice with large change programmes.

2.0 RECOMMENDATION(S) that

- 2.1 The issuing of an initial Section 188 notice on the 25th November 2015 be approved.
- 2.2 Following the issuing of the Section 188, the immediate commencement of formal consultation begin with the recognised trades unions on the proposals for redundancies be approved.
- 2.3 Delegated authority given to the Chief Executive in consultation with the Leader of the Council (and in his absence the Deputy Leader) to issue further Section 188 notices as required.
- 2.4 Delegated authority is given to the Chief Executive in consultation with the Leader of the Council (and in his absence the Deputy Leader) to consider alternative options that may be raised by the trades union consultation group to mitigate redundancies.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 From 2012/13 Merthyr Tydfil County Borough Council (MTCBC) has embarked on a journey of change and saved approximately £8 million over the last two years.
- 3.2 There have been two main catalysts for the programme of change. The first is the need to focus on the use of resources to improve service delivery, doing things differently; and the second being the financial austerity that MTCBC, like other Councils, face. During this time the Council has worked diligently to develop a clear and ambitious strategy for the delivery of improved outcomes at reduced costs. As a result of these immediate and longer term financial challenges, with the Council facing a projected budget deficit of £10 million for the period 2016/17 to 2017/18, the Council has developed a forward thinking plan addressing true transformational change that considers in-year and longer term pressures.
- 3.3 As a result the Council worked with PricewaterhouseCoopers (PwC) to undertake an Operating Model Assessment (OMA). The purpose of this OMA was to consider the whole Council in identifying opportunities for savings and improvement. The exercise built on existing good work and ideas within the Council.
- 3.4 The OMA has revealed substantial opportunities for the Council and led to the development of a forward thinking plan to implement a genuine programme of transformational change. The programme addresses challenges facing the Council by doing things differently whilst tackling the £10 million projected budget deficit over the next two years.
- 3.5 The MTCBC Change Programme comprises of the following areas: Customer Service; Back Office Support (Administration); Corporate (Strategic) Support Services; Procurement; Income; Collaborative Arrangements; Outcome Focused Redesign (frontline services).

4.0 STAFF AFFECTED BY THE PROPOSALS

4.1 All employees who are employed directly by the Local Authority are affected; the majority of them are under the NJC Green book terms and conditions. Due to schools managing their own devolved budgets, this excludes school based staff.

5.0 METHOD OF ACHIEVING THE REDUNDANCIES

5.1 Since 2013 there has been an on-going need to consult with trades unions to identify ways to mitigate redundancies. This has resulted in an agreed selection criteria and process that is fair and transparent, as required by law.

5.2 The current change programme is significantly larger than previous programmes, and as such the consultation group of officers and trades unions has been reviewing the existing criteria and process.

5.3 The selection criteria have now been updated and will be set out in the Section 188 notice.

5.4 In addition to setting out how the selection for redundancy will be undertaken, the formal consultation will also include sharing the proposals with the unions so a meaningful discussion can take place of mitigating as many of the redundancies as possible.

6.0 TIME LINE OF CONSULTATION

6.1 Once the Section 188 is issued consultation will begin as soon as possible thereafter. This starts a 45 day consultation period where the trades unions and officers of the Council will discuss each of the proposals with a view to consider any redundancy mitigation, or if that is not possible, agree to progress to the individual consultation stage.

6.2 Due to the number of projects that form the change programme, the consultation timeline will be over a phased two year process, where each project will go through the following legal process:

- Formal consultation on proposal
- Mitigation discussed with trades unions/sign off to progress to next stage
- Individual consultation with affected employees
- Applying the selection criteria
- Issuing of redundancy notices and appeals
- Termination of employment for reason of redundancy

6.3 The proposed timeline for each project has been built into the wider change programme. It is critical that each project is consulted on fully with the trades unions before progressing to implementation so that the legal obligations are met.

7.0 FINANCIAL IMPLICATION(S)

7.1 There are no direct financial implications for issuing the Section 188, however any financial implications from the implementation of the change programme will be communicated in future reports.

8.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

8.1 There are no issues to report.

9.0 EQUALITY IMPACT ASSESSMENT

9.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has been found that a full assessment is not required at this time. The form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

GARETH CHAPMAN
CHIEF EXECUTIVE

COUNCILLOR PHIL WILLIAMS
CABINET MEMBER FOR GOVERNANCE
AND CORPORATE SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Does the report contain any issue that may impact the Council's Constitution?		

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.