

# HR Committee

3<sup>rd</sup> August 2017



**Report of:** Interim Service Director Human Resources

**Title:** Redundancies 2017/18

**Ward:** N/A

**Officer Presenting Report:** Jacquie McGeachie (Interim Service Director Human Resources)

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## Recommendation

That the Committee notes the report.

## Summary

This report responds to the Committee's request for an update on redundancies arising from the Council's reduced budget for 2017/18.

## The significant issues in the report are:

- Managers are working through the implications of the approved budget reductions agreed at the Council's annual budget meeting. At the time of writing, 5 employees have been issued with notice of redundancy.
- Reductions in external contracts for supplies and services and transferring out of services will reduce but not eliminate the need for redundancies amongst the Council's staff.
- Redeployment and voluntary severance will be used on a service-by-service basis to mitigate the need for compulsory redundancies.
- Trade union consultation began in August 2016 and is both on-going and constructive.
- A refreshed Section 188 Notice was issued to the trade unions to cover the estimated number of redundancies that it is envisaged will take place over the 2017/18 financial year.
- 295.71 FTE jobs were lost on grounds of redundancy (including voluntary severance) in 2016/17. The Audit Committee has queried with this Committee whether the Council's Voluntary Severance Policy was correctly implemented.
- Current indications are that the number of redundancies in 2017/18 will be significantly lower.
- The workforce implications of the Council's recently-published Medium Term Financial Plan are being worked through and will be reported to the Committee in due course.

## Policy

1. Where redundancies are anticipated, the law requires the Council as the employer to supply certain information to its recognised trade unions and to the Government. The Council is also required to engage in meaningful consultation with a view to avoiding the need to make redundancies wherever possible.

## Consultation

2. **Internal**  
Not required because this report is for information only.
3. **External**  
Not required because this report is for information only.

## Context

4. At its annual budget meeting on 21<sup>st</sup> February 2017, the Council approved 112 proposals to reduce its spending in 2017/18 by £33.1m. Some of these will involve reductions in external contracts for services/supplies and/or the transferring out of services to other employers. Many will also entail changes/reductions in the Council's workforce. This is not new; the Council has been reducing its workforce since 2009, as the following figures show:

Financial year	Starters	Leavers	Of which redundancies (including voluntary severance)	Headcount at 31 <sup>st</sup> March	Full-time equivalent posts at 31 <sup>st</sup> March
2016/17	612	1,287	379	6,404	5,236.36
2015/16	887	857	47	6,973	5,688.84
2014/15	636	1,394	758	6,762	5,480.64
2013/14	670	1,536	521	7,305	5,889.05
2012/13	559	1,067	234	8,052	6,383.13
2011/12	502	1,094	234	8,375	6,628.35
2010/11	638	1,124	73	8,851	7,059.29
2009/10	777	697	49	9,060	7,439.50

### Notes:

- Employees are counted once for each job they held with the Council.
  - 2016/17 figures are an estimate based on the Council's payroll as at 24<sup>th</sup> March 2017.
5. Managers are currently working with HR to establish where workforce changes/reductions are required so that affected staff can be informed and consulted.
  6. Trade union consultation at a corporate level started in August 2016, and is both on-going and constructive.
  7. A refreshed Section 188 Notice was issued to the trade unions to cover the estimated number of redundancies that it is envisaged will take place over the 2017/18 financial year.

8. 295.71 FTE jobs were lost on grounds of redundancy (including voluntary severance) in 2016/17. Further information on these is included at Appendix A. The Audit Committee has queried with this Committee whether the Council's Voluntary Severance Policy was correctly implemented. To the best of officers' knowledge, all exits were approved in line with the process set out at Appendix B.
9. Current indications are that the total number of redundancies will be significantly lower than this. Redeployment and voluntary severance will be used on a service-by-service basis to mitigate the need for compulsory redundancies. The workforce implications of the Council's recently-published Medium Term Financial Plan are being worked through and will be reported to the Committee in due course.
10. The Committee requested an analysis of the equalities data of those leaving on grounds of redundancy in 2016/17. This is attached at Appendix B. As would be expected given the opportunities offered by the Local Government Pension Scheme, the data shows that employees aged 50 and over are significantly more likely to leave on redundancy than their representation in the workforce would otherwise suggest. Men, staff who have identified themselves as disabled and employees whose religion/belief and/or sexual orientation are unknown are also more likely to leave on redundancy. In contrast staff who have declared themselves to be from Black Minority Ethnic or White Minority Ethnic groups are significantly less likely to leave on redundancy. For information, the latest (31<sup>st</sup> December 2016) workforce representation figures are as follows:

Age 16-24	4.13%
Age 25-49	54.78%
Age 50-64	38.40%
Age 65+	2.69%
Disabled	5.81%
Not Disabled	83.79%
Disabled unknown	10.40%
Black Minority Ethnic	10.75%
White Minority Ethnic	4.48%
White British	74.55%
Ethnicity unknown	10.22%
Men	39.59%
Women	60.41%
Christian	24.97%
Other religion/belief	5.16%
No religion/belief	28.16%
Religion/belief unknown	41.71%
Lesbian/gay/bisexual	2.67%
Heterosexual	56.25%
Sexual orientation unknown	41.07%

## Proposal

11. That the Committee notes the report.

## **Other Options Considered**

12. None.

## **Risk Assessment**

13. Not required because this report is for information only.

## **Public Sector Equality Duties**

- 14a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
  - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
    - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
    - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
    - tackle prejudice; and
    - promote understanding.

14b) Not required because this report is for information only.

## **Legal and Resource Implications**

### **Legal**

Not required because this report is for information only.

**Financial**

**(a) Revenue**

**(b) Capital**

Not required because this report is for information only.

**Land**

Not applicable.

**Personnel**

Not required because this report is for information only.

**Appendices:**

A – Further information on redundancies in 2016/17

B – Voluntary Severance approval process 2016/17

C – Workforce data analysis of employees who left on grounds of redundancy in 2016/17

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**Background Papers:**

None.