

**Committee:** Finance and Administration Committee  
**Date:** 15 January 2008  
**Title:** Revenue Budget 2008-09 and Staff Cost Reductions – Supplementary Report  
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Agenda Item

**2a**

Item for decision

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## Summary

As presaged in the main report, a further meeting with Unison took place on Friday 11 January and a number of issues surrounding the process and timetable for redundancies were discussed. This report proposes an alteration to the timetable set out in the earlier report to responding to the views of Unison and further advice taken by management.

## Recommendations

1. That members agree the revised timetable as recommended.

## Background Papers

UDC Personnel Policy Notes 24, 25 and 26 (Redundancy, Early Retirement and Redeployment)

## Impact

Communication/Consultation	These proposals follow consultation with staff representatives.
Community Safety	No further implications compared to main report.
Equalities	
Finance	
Human Rights	
Legal implications	
Sustainability	
Ward-specific impacts	
Workforce/Workplace	

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## Background

1. The earlier report made clear that it was being issued in advance of the conclusion of the initial thirty day consultation period and that a supplementary report might be necessary. This is that report.
2. A meeting between Unison and management was held on Friday 11 January to discuss the proposed process and timescales. As a result of this meeting, the recommended timetable has now changed.
3. There are two reasons why change has been necessary:
  - There was concern that the original timescale meant that an excessive time period was to elapse between staff being notified that they were at risk and the selection for redundancy being made. Accordingly, it is now proposed that the meeting of this committee that is to be held on January 31 would be asked to confirm all redundancy proposals. This will allow selection processes to be undertaken in early February.
  - Unison contended that it was not appropriate to issue notices of dismissal at the same time as the notification to staff that they were at risk. The council's management has taken further advice on this point and is now of the view that recent case law from the European Court makes such an arrangement unwise – though it is in line with other organisations' previous practice in similar situations. It will not therefore be possible to give notice of dismissal until the decision to confirm redundancy proposals has been made and – where applicable – selection processes have been carried out.
4. The proposed revised timetable – which would replace that in the earlier report – is now set out below.

16 January	Meeting of SMB/HOD's to confirm approach following Finance & Administration Committee
16-18 January	Individual staff to be informed of their position by Directors/Heads of Division
21 January (latest)	A general 'announcement' of the proposals to be made to enable staff/members to see whole picture
16-31 January	Alternatives to redundancy continue to be explored. Consultation with partners, stakeholders etc to continue with a view to reporting on possible options to Finance & Administration Committee on 31 January.
31 January	Finance & Administration Committee to be asked to confirm proposals
1 February onwards	Where no selection is necessary, staff whose posts

are confirmed for redundancy will be issued with notice of dismissal in accordance with statutory requirements.

Where selection is necessary, selection processes will be carried out. Staff who are to be made redundant will be issued with notice of dismissal in accordance with statutory requirements.

Discussions with individual staff on possibilities for redeployment. Where redeployment is possible, previously issued notices of dismissal will be withdrawn, subject to a successful trial period in the redeployed post.

19 February

Council meeting to set budget. Final confirmation of all proposals.

5. Parallel with this process will be ongoing consultation with the public, partners and stakeholders about the proposals and options surrounding them to ensure that the implications of the changes have been fully assessed, and any alternatives fully explored. Where alternative approaches are available, the council will be presented with recommendations at the earliest available opportunity, whether that be to the meetings of Finance & Administration Committee on 31 January or 7 February, or to the council meeting on 19 February or a subsequent meeting.

<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigating actions</b>
That the targeted savings are not met	Medium	Would result in continued financial and organisational instability, with the likelihood of central government intervention should a legal budget not be achieved,	The costs and savings associated with these proposals have been carefully and cautiously estimated. Further savings proposals will continue to be sought to enable the council to operate on a secure financial footing from 2008 onwards.
That staff are not equipped to deliver services successfully in the new structure	Medium	Staff morale is inevitably low at this stage in the process. It will remain fragile for some time to come.	Appropriate training and support will be made available to those who are leaving the organisation and also to those who remain – whether continuing in their previous roles or in new roles. Renewed effort to ensure that staff are fully

			appraised of the developing situation will be necessary.
That the process is deemed to be unfair or in breach of employment legislation and/or regulations	Low	May lead to unfair dismissal claims with the potential to expose the council to increased costs and prolonging the transition to a more stable operating base.	Advice has been taken throughout this process to ensure that our approach is sound. Consultation and communication with staff and their representatives will continue with a view to enabling an early resolution of any potential disputes.