

Audit and Procurement Committee

13 November 2017

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor J Mutton

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward affected:

None

Title:

Consideration for approval of severance packages in respect of 3 x Employee's exceeding £100,000

Is this a key decision?

No

Executive Summary:

As part of the Children Services Transformation programme three Council employees have requested to be considered for ER/VR. As the severance package for each of these officers would exceed £100,000 the determination of these packages is a matter for the Committee.

Recommendations:-

The Audit and Procurement Committee are recommended to:-

- 1) Approve the severance package in respect of employee 1
- 2) Approve the severance package in respect of employee 2
- 3) Approve the severance package in respect of employee 3
- 4) Request that the Cabinet Member for Strategic Finance and Resources considers undertaking a review of the Council's organisational change process and associated Security of Employment Agreement (SOEA) to consider alternate options that may be available to the council to avoid the loss of organisational memory, knowledge, skills and competencies and the cost to the public purse.

List of Appendices included:

Appendix One: Children Services, including Connecting Communities Phase 2 Implementation (Family Hubs), Restructure Consultation Proposal

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Consideration for approval of severance packages in respect of 3 x Employee's exceeding £100,000

1. Context (or background)

- 1.1. Following Ofsted inspections in 2014 and 2017, Children's Services Workforce Redesign is one of 9 projects, which together form the Children's Transformation Programme which supports the Services Improvement Plan.
- 1.2. The revised structure will deliver organisational and process changes which will allow Children Services to sustain and improve the service experience and outcomes for children and young people by reshaping the way that support is delivered to children and young people aged 0-19 years.
- 1.3. Children's Services Workforce Redesign pre-engagement took place 13th April until 26th April 2017. Formal Consultation with Trade Union colleagues and employees took place 8th May until 3rd August 2017.
- 1.4. As a result of the redesign some employees opted for ER/VR as part of the SOEA. Three employees have an exit package in excess of £100,000.
- 1.5. Part 2I of the Council's constitution requires that any severance package for an employee of the Council of £100, 000 or over should be determined by the Audit and Procurement Committee. When calculating the value of an exit package, a local authority should calculate and include the costs to the authority as well as payments/benefits to the employee. The pension strain costs have therefore been included to the redundancy cost for the total cost of severance. Pension strain is an additional one-off sum that an employer is required to pay to the Pension Fund in order to allow the early release of pension benefits without actuarial reduction.

2. Options considered and recommended proposal

- 2.1. Option 1:
Approve each of the three employees severance package
- 2.2. Option 2
Reject the employees early retirement/redundancy request and retain the employees continued employment in supernumerary posts.
- 2.3. The Committee is recommended to approve the early retirement / voluntary redundancy of the three employees referred to above in Option 1.
- 2.4. Refusal of the applications for early retirement/redundancy could result in the employees taking further action against the Council.

3. Results of consultation undertaken

- 3.1. Consultation has taken place with Trade Union colleagues. The consultation document was emailed to all of the employees whose posts were included in the service restructure and their Trade Union Representatives. Security of Employment Agreement One to One Meetings were held with all affected employees whose posts were included in the restructure proposal during August & September 2017.

4. Timetable for implementing this decision

- 4.1. Should the early retirement application be agreed, the employees contracts will end by 31st December 2017.

5. Comments from Director of Finance and Corporate Services

5.1. Financial implications

This Committee is considering exit payments exceeding £100,000; however, as part of the overall Service redesign further redundancies below this threshold have been agreed.

The proposed deletion of all the posts within the service restructure, including those where the cost of exit is over £100,000, contributes to the overall delivery of the Children's Services Transformational programme on workforce and business process. Once fully implemented the restructure delivers a £1.1M ongoing revenue saving.

It should be noted that one-off exit payments are generally met from reserves which have been specifically set aside for the purpose of meeting these costs. This then allows immediate savings to be made in revenue budgets once posts have been deleted.

5.2. Legal implications

The Guidance "Openness and accountability in local pay" was introduced by the Secretary of State for Communities and Local Government in accordance with section 40 of the Localism Act 2011. Local Authorities are required to have regard to this guidance in performing their functions in preparing and approving pay policy statements.

Part 2 of the Council's Constitution "Functions of the Audit and Procurement Committee" reflect the requirement for Members to approve exit packages which reach the threshold of £100,000.

6. Other implications

6.1. How will this contribute to achievement of the Council's Plan

The new workforce structure will support revised working arrangements enabling further progress in achieving the outcomes of the Children's Services Early Help Strategy & Improvement Plan; delivering earlier help to support vulnerable children & young people to maximise their life opportunities and where needed earlier intervention to mitigate and prevent harm to children at risk.

In supporting the development of an integrated children's service for all Children in Need, including the establishment of Family Hubs alongside coterminous social work services, the new arrangements will lead to more efficient working practices, achieving projected further reductions in workforce numbers over the next three years and reducing the demand for social work services, including care placements, in line with our statistical neighbours and local authorities judge as 'good' by Ofsted.

6.2. How is risk being managed?

The employees' early retirement and redundancy has been discussed with both the employees and their Trades Union representatives. The employees and their Trade Union representatives have been kept informed of developments including the need for Audit and Procurement Committee to approve exit packages in excess £100,000.

Scrutiny via the Audit and Procurement Committee reduces the risk of criticism as the governance arrangements are strengthened. In addition this practice is in line with the expected provisions in future regulations and legislation associated with public sector exit payments. These changes are expected next year.

6.3. What is the impact on the organisation?

The process has provided sufficient time for the manager, employee and Trade Union representative to consider the employees expression of interest and agree to the deletion of the posts that was aligned to a service re-design programme.

6.4. Equalities / EIA

An equality impact assessment is not required for the purposes of this report. However, all early retirement and redundancy applications and Human Resources activity are conducted in accordance with the Council's Equal Opportunities policy and the Public Sector Equality Duty.

6.5. Implications for (or impact on) the environment

None identified

6.6. Implications for partner organisations?

None identified

Report author:**Name and job title:**

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People

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Lara Knight	Governance Services Coordinator	Place		
Other members				
Names of approvers for submission: (officers and members)				
Finance: Barry Hastie	Director of Finance and Corporate Resources	Place	02.11.17	03.11.17
Legal: Julie Newman	Legal Services	Place	02.11.17	03.11.17
Gail Quinton	Deputy Chief Executive (People)	People	02.11.17	03.11.17
Members: Cllr Sucha Bains	Chair, Audit and Procurement Committee			

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www.coventry.gov.uk/councilmeetings

Appendix One – The Change Proposal for the Redesign of Children’s Services



Proposals for the Redesign of Children’s Services, including Connecting Communities Phase 2 Implementation (Family Hubs)

8 May 2017

Purpose

This document sets out the basis for consultation on the Childrens Transformation proposals to redesign the delivery of Children’s Services, including the creation of eight early help Family Hubs across the city, as described in the Connecting Communities Phase 2 proposals.

Background

This consultation process combines the implementation of the Family Hubs with the wider redesign of Children’s Services, reflecting the fundamental interdependence between our Early Help Strategy and Children’s Improvement Plan and the potential benefits for children, young people and families. Given the proposed integration and interdependent impact on both groups of staff, it is not appropriate to conduct separate consultation processes.

Children’s Services provides early help and specialist services for children and young people, aged 0 to 19 (up to 25 for some Care Leavers) and their families living in Coventry. The current service structure can be found at Appendix A.

The creation of eight Family Hubs was a recommendation included in the Connecting Communities Phase 2 proposals, agreed by elected members at a Cabinet Meeting held on 7 March 2017.

Reasons for Change/Business Rationale

Following our Ofsted inspections in 2014 and 2017 we are keen to build on the fundamental progress we have made in the intervening period and now need to reflect the wider Connecting Communities programme to transform and improve outcomes for the children, young people and their families living across the city. The workforce redesign is one of 9 projects, which together form the Children’s Transformation Programme supports our Improvement Plan. Our vision for Children’s Services sets out our aspirations for children and young people and their families.

The revised structure (Appendix B) will deliver organisational and process changes which will allow us to sustain and improve the service experience and outcomes for children and young people. This has been the focus of our Children’s Improvement plan and the

actions and plans endorsed by Ofsted and also to support an incremental shift of service investment into our family hub early help offer. The proposal is intended to;

- support us in responding earlier to children's and parents needs and targeting vulnerable & potentially vulnerable children
- reduce the number of repeat assessments & hand-offs or changes in worker that children and families currently experience
- enable single assessment or support plans to be created and sustained through a child's service journey & create more opportunities for other agencies and professionals to integrate their services with ours around the needs of individual children
- support the implementation of new ways of working or changes in statutory services based on developing a sustainable structure & resource base which will be affordable and viable as part of the Councils medium term financial strategy
- help develop a self-improving system of working where doing the right thing is made easier

Connecting Communities is an ambitious approach to redesigning services through collaboration with local communities. Phase 2 of Connecting Communities focuses on how services and support can be delivered differently in local communities with the greatest need, within the resources that are available.

Phase 2 comprises of two overarching proposals to reshape the way that support is delivered to children and young people aged 0 to 19 years and the provision of library services in the city. **A separate consultation process is being conducted for library staff.**

The grant Coventry received from central Government is estimated to have reduced by 55% between 2010 and 2020. The budget for Children's Services is 30% of the Council's net budget and therefore needs to contribute to achieving the reductions in resource.

The scale of grant cuts means the current way in which we deliver services is no longer sustainable. The financial position and the needs of residents needs to be balanced alongside making radical changes in the delivery of services. This means working closely with staff, residents and partners in new ways to optimise the total public funding that remains to support the most vulnerable in the city.

The Children's Services Transformation Programme has an overall savings target of £11.6m, including an original workforce redesign target of £3.8m and Connecting Communities Phases 1 and 2 have a combined savings target of £2.8m for Early Help. Due to planned reductions in over-establishment staffing levels and agency levels approximately £1M of the workforce redesign saving has already been achieved, leaving £2.8M to be achieved by 2019/20. Connecting Communities Phase 1 Savings have already been delivered, leaving the Phase 2 to be delivered as part of this consultation. This equates to £2.5M (of which £2.1M relates to a staffing saving) so a total savings requirement against staffing of £4.9M.

The redesign that is being consulted on delivers £4.3M of the staffing saving required by 2019/20. This includes an assumption that there is an overall caseload reduction of 500 within that timescale. This gap in delivery is in recognition of the need for the service to make continued progress to transform and improve outcomes for the children, young people and their families living across the city, and will need to be reviewed in the context of the delivery of the overall programme within Children's and the People Directorate.

Basis for Proposal

The Connecting Communities proposal transforms the way in which services are delivered by Children's Services. It will see the ceasing of all City Council universal youth work and directly provided term time nursery provision. The contracts with three existing private, voluntary and independent children's centre providers will all end by May 2017. Eight Family Hubs, providing for 0 to 19 year olds across all of the city will be developed in existing Children's Centres with Family Hubs located in areas of highest need; Bell Green, Foleshill, Tile Hill, Radford, Moat House (Wood End), Middle Ride (Willenhall), Gosford Park and Hillfields. The City Council will incorporate delivery of a targeted and specialist youth offer focused on young people who are hardest to reach and most vulnerable as part of the family hub model.

Significant engagement and consultation has already taken place with regard to the proposals for Connecting Communities Phase 2 around Family Hubs. This included 52 consultation meetings with members of the public and 23 with staff and an online survey. Feedback was also encouraged and received through a variety of media including; drawings, letters, emails, videos and a number of petitions.

Staff engagement workshops were held in April during which the outline structure proposals were shared, along with the basis for the redesign and staff were encouraged to feedback comments, questions and alternative proposals during these sessions, via an online survey or through individual emails to the children's transformation email address. This valuable feedback has been taken in to account in establishing the formal consultation.

The current use of agency social workers by the service has considerably reduced as our recruitment and retention rates have improved and the proposed structure assumes there will be only very occasional need for additional funding to employ agency social workers to cover vacancies and absences. However in recognising that we have a young and predominantly female social worker workforce we have included additional staffing costs of £500K per annum to fund staffing to meet the likely need to cover for maternity leave and support the ongoing reduction in agency social worker costs.

In addition the savings recognise that there is a further piece of work to do in relation to review and reduction of the overall activity in the system.

Proposal

The proposals incorporate Connecting Communities Phase 2 and the Children's Services redesign proposals and outline plans to reduce staffing by 85.62 full time equivalent employees (FTE).

The attached tables detail the current staffing establishment by team and the proposed new structure establishment. Proposed savings will be made against the deletion of vacancies, cessation of temporary contracts and the granting of ER/VR to applicants from ER/VR Programme 6 where possible. The proposals may also incur some further redundancies. In these circumstances the Security of Employment agreement will be applied. For more information see;

http://beacon.coventry.gov.uk/directory_record/285/change_management

The following teams are included in this restructure process;

- Early Years, Children Centres and Parenting
- Children and Families First
- Children's Social Care
- Youth Service
- Fostering
- Looked After Children
- Crisis Intervention
- CBAS
- Contact Service
- FDAC
- Adoption Permanency Team
- Young Carers Support
- Route 21
- Emergency Duty Team
- IRO Looked after and Child Protection Service
- LADO
- Family Group Conferencing
- Strategic Commissioning
- Placement Team
- Referral and Assessment Service
- MASH
- Initial Contact Service
- CSE Team
- Horizon Missing Children Service
- Troubled Families
- Multi Systemic Therapy Team

The following teams are not included in this restructure process;

- Youth Offending Service
- Adoption Support and Family Finding and Adoption – Recruitment and Assessment Teams (Adoption Central England arrangements to be confirmed)
- Internal residential children's homes
- All Age Disability Team
- Posts funded through the Safeguarding Board

The following list states the posts that will be directly job matched.

- Social Workers (Grade 7)
- Social Work Senior Practitioners (Grade 8)
- Social Work Team Managers (Grade 9)
- CAF Co-ordinators
- Troubled Families Programme Manager
- Troubled Families Data Analyst
- Assistant Psychologist

- Leaving Care Personal Advisers

The following posts will transfer to the central Education establishment:

- Childcare Quality Regulation Adviser X 9 posts
- Childcare Sufficiency Officer
- Childcare Data Manager
- Senior Children and Family Worker (Schools) X 1.9 fte posts
- Children and Family Worker (Schools) X 2 posts

Existing Nursery Employees

The employment position of those employees who currently occupy a post based in a City Council provided Nursery which will cease on 31st August 2017 as part of the implementation of Phase 2 Connecting Communities will be impacted in a variety of possible outcomes, as set out below;

- Post deleted and employee served notice in line with the Security of Employment
- Post transfers to a locally maintained school establishment and employee remains a City Council employee
- Post transfers to a Private, Voluntary and Independent Sector organisation or an Academy or Trust School under TUPE Regulations and the employee becomes an employee of the new service provider organisation

The outcome of Expressions of Interest in providing replacement Nursery provision once the City Council ceases to provide the service will be known by the end of May 2017 and the outcome of this process and impact in terms of staffing will be communicated at this time.

Temporary and Seconded Employees

The ring fences and job matches proposed in this consultation include existing permanent employees only. Individual contractual positions for temporary employees will be considered and the appropriate communication regarding impact on contractual position will be shared once the final structure to be implemented is known.

Substantive posts will be used for seconded employees and employees in “acting up” positions when considering proposed job matches and ring fences.

Principles of Implementation Process

Implementation will take place, following the close of the consultation period and publication of formal response to consultation, in line with the Security of Employment Agreement (SOEA).

A number of applications for ERVR Round 6 were received from within Children’s Services and where possible these applications have been agreed in line with Service requirements with a release date of no later than 31 May 2017.

Population of Proposed Structure

Through a process of job matching and ring fenced appointments most posts within the new structure will be appointed to internally within Children's Services initially, followed by recruitment at a corporate level and finally external recruitment to any remaining vacancies. However it will be appropriate for some posts to be advertised externally if there are no suitable job matches or ring fences.

A 1:1 meeting will be arranged with any employee whose post is to be deleted or ring-fenced to discuss the implications that this will have for them and the options available as outlined in the Security of Employment Agreement policy. Job matched employees will be advised in writing of the job match role.

A trades union representative or work colleague will be entitled to accompany the employee to the 1:1 meeting.

Where there are not enough or too many volunteers for ER/VR within the stated ring fences it may be necessary for the Council's redundancy selection criteria to be applied as follows:

- Sickness absence (using the Bradford Factor) – discounting any disability and maternity related absence. This will be based over a three year period ending on the date consultation began. Employees will be given the opportunity to verify their records
- Disciplinary record – taking into account any live formal warnings on an employee's record at the time the selection criteria is applied
- Performance – where there is competition for posts we will use skills matching via selection tests

Job Matches and Ring Fencing

The attached table sets out initial proposals for ring fences and job matches. These will be subject to further discussion with Trade Union representatives and may be amended following further consideration and feedback. An agreed implementation plan will be communicated following the conclusion of formal consultation.

Transition Support and Development

Employees that are moving to new teams or services will be provided with additional support and development to enable them to develop their core skills knowledge and learning. This will include bespoke learning and professional development, coaching and mentoring to support the transition into the new role.

Equalities Impact

An Equalities Impact Assessment is currently being compiled and will be circulated for information during the consultation period once it is completed.

Consultation

The consultation period will commence on 8 May 2017 for a period of 45 days, ending at 5pm on 21 June 2017. The consultation will involve all employees affected by the proposals and Trade Unions.

During the consultation questions, comments and proposals are encouraged and should be submitted in writing to childrenstransformation@coventry.gov.uk
A formal response will be given to all written submissions.

As required under section 193 of the Trade Union and Labour Relations (Consolidation) Act 1992 the City Council is required to notify the Redundancy Payments Service if there is a proposal to dismiss 20 or more employees at one establishment within a 90 day period or less. The required HR1 form will be completed by Human Resources.

Communication

The consultation will be launched by a link to this document being emailed to all employees within the service on 8 May 2017 following a formal consultation meeting with Trade Union representatives. Employees on maternity leave and those that are absent long term will have the document posted to their home address.

Following the launch, a number of meetings will be held with employees to outline the proposals and give an opportunity to raise any questions or concerns. These meetings will be held as follows:

AREA	DATE	TIME	TEAM	LOCATION
Paul Smith Strategic Lead for Looked After Children	Monday 8 May	10:15 – 11:00	SERVICE MANAGERS	Diamond Rm 2, Council House
		11:00 – 11:30	Team Managers	Room 240, 1 st floor CC1
		12:00 – 12:30	Disability Team & Broad Park manager	Logan Road
		12:30 – 1:15	LAC Team	Logan Road
		1:30 – 2:15	Route 21	Southfields Old School
		2:45 – 3:15	Crisis Intervention Team	Charter Avenue
		3:45 – 4:30	Fostering Team	Ellen Terry Suite
		4:30 – 5:00	Adoptions Team	Ellen Terry Suite
	Tuesday 9 May	12:00 – 12:30	EDT Team	Southfields Old School

AREA	DATE	TIME	TEAM	LOCATION
Neil MacDonald Strategic Lead for Quality	Monday 8 May	10:15 – 11:00	SERVICE MANAGERS	Diamond Rm 2, Council House
		12:00 – 12:30	Team Managers	Rm 47, CC1
		2:30 – 3:30	All staff: Commissioning, Safeguarding,	Dame Ellen Terry Suite

Assurance & Performance			IRO's, Child Protection, Family Group Conferencing, VoC	
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AREA	DATE	TIME	TEAM	LOCATION
Lee Pardy-McLaughlin Principal SW	Monday 8 May	1:00 – 1:30	Social Worker Practitioners	Rm 132, 1 st floor CC1

AREA	DATE	TIME	TEAM	LOCATION
Jane Brooks Strategic Lead for Help & Protection	Monday 8 May	10:15 – 11:00	SERVICE MANAGERS	Diamond Rm 2, Council House
		11:15 – 12:00	Team Managers	Lord Mayor's Hospitality Suite
		12:15 – 1:15	Group 1	
		1:30– 2:30	Group 2	
		2:45 – 3:45	Group 3	
		4:00 – 5:00	Group 4	

A log of FAQs will be maintained and distributed to employees at regular intervals during consultation, along with any additional briefing required.

Meetings with Trade Union representatives will take place as required during the consultation period to discuss any issues pertinent to the proposals.

Employees are also encouraged to raise any questions, queries or concerns they have to their line manager, their Trade Union representative or to any of the managers listed in the contact list below.

Implementation

At the end of the consultation period, further communication will take place with employees and Trade Union representatives to inform them of the outcome of consultation.

Timeline

This timeline is for guidance only and is subject to change.

Date w/c	Action
8 May 2017	Consultation begins
21 June 2017	Consultation ends
22-28/6/2017	Consideration of questions, queries, comments, counter proposals etc.
29/6/2017	Issue response to consultation and confirm implementation plans
Week commencing 3/7/2017	N.B – Depending on any changes to the proposals as a result of consultation Undertake SOE 1:1 meetings Issue preference forms and sickness absence records for verification
12/7/2017	Deadline for return of preference forms and verified sickness absence records
13-14/7/2017	Job Match process for posts not requiring a selection process Write to employees confirming appointment to post
Weeks commencing 17/7/2017 and 24/7/2017	Selection processes for ring fenced posts Write to employees confirming appointment to post
July and August	Provide transitional support, training and development where required for employees moving into new roles and/or services
August	Broader City Council and External Recruitment processes for any remaining vacancies
1 st September	Commence Implementation of new structure commences

Appendices

Appendix 1	Current Structure Charts
Appendix 2	Proposed Structure Charts
Appendix 3	Current Structure by team
Appendix 4	Proposed Structure by team
Appendix 5	New Job Descriptions

Contact List

12. Contact List

Name	Role	Telephone Number	Email
John Gregg	Director of Children's Services	024 78 83 3402	john.gregg@coventry.gov.uk
Jane Brooks	Strategic Lead Help and Protection	024 7683 3403	jane.brooks@coventry.gov.uk
Neil MacDonald	Strategic Lead Quality, Performance and Strategic Commissioning	024 7683 1652	neil.macdonald@coventry.gov.uk
Paul Smith	Strategic Lead Looked After Children	024 7883 7388	paul.smithcyp@coventry.gov.uk
Lee Pardy-McLaughlin	Principal Social Worker Children	0247683 1635	lee.pardy-mclaughlin@coventry.gov.uk
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