

## **Joint Consultative Committee with Ethnic Minority Organisations**

**Date: 27 January 2010**

Agenda item: 6

**Subject: The Council's restructure and its impact on BME employees**

Lead officer: Dean Shoesmith – Joint Executive Head of Human Resources

Lead member: Cllr Samantha George

Contact officer: Dean Shoesmith – Joint Head of Human Resources

---

### **Recommendations:**

1. To note the equality impact assessment undertaken in terms of the Council's restructure and the emergent outcomes.
- 

### **1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is consider the impact of the Council's restructure exercise to achieve a balanced budget for financial year 2010/11 and to note the impact on BME employees
- 1.2 We are pleased to note that there has not been a disproportionate impact on BME employees as a result of the Council's voluntary redundancy scheme and this is set out in more detail in the report below.
- 1.3 Compulsory redundancy position as at 14 January 2010; the current position is that 57 employees are at risk of redundancy but this will considerably less after the redeployment process and other measures has taken place.

### **2. DETAILS**

- 2.1 The Council, by law, has to set a balanced budget for the new financial year. This has been a challenging process given the budget gap to be closed was in the region of £14.5m.
- 2.2 As a good employer the Council has taken considerable measures to limit the impact on existing employees and avoid compulsory redundancy wherever possible. The Council's future employment options policy has facilitated this process allowing staff to opt to take: voluntary redundancy/early retirement, reduced hours working, and flexible retirement - subject to the needs of the service and ultimately Member-level approval

where posts are deleted from the Council's established structure, via Cabinet.

2.3 The table below sets out the overall position, as at 14 January 2010 in terms of the Council's voluntary redundancy scheme.

**Table 1 - Overall Analysis of Workforce Employment Options Programme, by Department**

Department	Type	Application	Withdrawn	Rejected due to "Windfall"	Accepted	Not Accepted at this stage
Chief Executives	Voluntary Redundancy	3	0	0	3	0
	Flexible Retirement	0	0	0	0	0
	Reduced Hours	0	0	0	0	0
	<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>
Corporate Services	Voluntary Redundancy	45	4	1	26	14
	Flexible Retirement	10	0	0	3	7
	Reduced Hours	1	0	0	1	0
	<b>Total</b>	<b>56</b>	<b>4</b>	<b>1</b>	<b>30</b>	<b>21</b>
Children Schools and Families	Voluntary Redundancy	34	1	0	12	21
	Flexible Retirement	2	1	0	0	1
	Reduced Hours	4	0	0	2	2
	<b>Total</b>	<b>40</b>	<b>2</b>	<b>0</b>	<b>14</b>	<b>24</b>
Community and Housing	Voluntary Redundancy	94	2	12	60	20
	Flexible Retirement	5	0	0	4	1

	Reduced Hours	6	1	0	4	1
	<b>Total</b>	<b>105</b>	<b>3</b>	<b>12</b>	<b>68</b>	<b>22</b>
Environment & Regeneration	Voluntary Redundancy	80	4	4	18	54
	Flexible Retirement	5	0	0	1	4
	Reduced Hours	5	0	0	2	3
	<b>Total</b>	<b>90</b>	<b>4</b>	<b>4</b>	<b>21</b>	<b>61</b>
<b>Council</b>	<b>Total</b>	<b>294</b>	<b>13</b>	<b>17</b>	<b>136</b>	<b>128</b>

The above figures are correct as at 14 January 2010 and are based on headcount. In some circumstances, individuals have more than one contract with the council and these individuals have been counted once for the purposes of this report.

- 2.4 The impact on BME employees, up to 14 January 2010, is set out in the table below. It should be noted that this is the latest data available but the position is subject to change and we will continue to change up to and including Cabinet decision-making on 18 January 2010 and possibly thereafter dependent on individual's preferences and options selected *vis a vis* Council business need.

**Table 2 - BME Analysis by volunteers for redundancy**

Ethnicity	Applications No.	Applications -%	Accepted Applications No.	Accepted Applications %	Workforce %
<b>BME</b>	38	12.93%	20	14.71%	24.45%
<b>Not BME</b>	252	85.71%	116	85.29%	72.28%
<b>Not recorded</b>	4	1.36%	0	0.00%	3.27%
<b>Total</b>	<b>294</b>	<b>100.00%</b>	<b>136</b>	<b>100.00%</b>	<b>100.00%</b>

As can be seen from this table fewer BME employees (depicted as a %) have elected to take voluntary redundancy than are represented in the whole Council workforce. This means in relative terms the overall BME employee representation in the Council's workforce has increased.

**Table 3 - BME Analysis by compulsory redundancy**

<b>Ethnicity</b>	<b>At risk of compulsory redundancy – No.</b>	<b>% of those at risk</b>	<b>Workforce %</b>
<b>BME</b>	16	28.07%	24.45%
<b>Not BME</b>	41	71.93%	72.28%
<b>Not recorded</b>	0	0.00%	3.27%
<b>Total</b>	57	100.00%	100%

2.5 In employment and equalities terms the Council's Future Employment Options Policy and Voluntary Redundancy scheme has been a resounding success as without this provision the Council would have had to make in the region of 140 staff compulsory redundant. As can be seen from the above tables there has not be a disproportionate impact on BME employees – rather the proportion of BME staff employed by the Council has increased albeit the Council has had to reduce overall headcount.

2.6 The grade levels of BME and other employees (numbers) who have agreed to voluntary redundancy are shown in Table 4 below:

Table 4

<b>Ethnicity</b>	<b>Grade</b>			
	<b>Ex –manual</b>	<b>Scale 1 – 6</b>	<b>SO1 – PO6</b>	<b>Management grades</b>
<b>BME</b>	9	4	7	0
<b>Not BME</b>	30	29	51	6
<b>Not recorded</b>	0	0	0	0
<b>Total</b>	39	33	58	0

2.7 The grade levels of BME and other employees (numbers) who are at risk of compulsory redundancy are shown in Table 5 below

Table 5

<b>Ethnicity</b>	<b>Grade</b>			
	<b>Ex –manual</b>	<b>Scale 1 – 6</b>	<b>SO1 – PO6</b>	<b>Management grades</b>
<b>BME</b>	0	3	13	0
<b>Not BME</b>	0	4	36	1
<b>Not recorded</b>	0	0	0	0
<b>Total</b>	0	7	49	1

### 3. ALTERNATIVE OPTIONS

- 3.1 The Council - through its future employment options policy - has sought to limit the impact of compulsory redundancy on existing employees. The policy provides for a range of options made available to staff.

#### **4. CONSULTATION UNDERTAKEN OR PROPOSED**

- 4.1 Extensive consultation has been undertaken through regular monthly meetings with Staff Side throughout financial year 2009/10.
- 4.2 Individual employees have also been afforded their due and proper consultation and representation rights.

#### **5. TIMETABLE**

- 5.1 The Council will provide all employees subject to mutual termination of employment, compulsory redundancy, and other contractual variation, their due statutory and contractual notice period rights. In general the changes to employment will be effective from 31 March 2010. In some cases, dependent on business needs and individual preference this could be earlier or later than 31 March 2010 where mutually agreed.

#### **6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1 The estimated cost of the 57 potential compulsory redundancies (40 fte) is £1,080,000. Provision for this expenditure has been incorporated within the draft budget proposals for 2010/11 which was considered by Cabinet on the 18<sup>th</sup> January 2010.

This expenditure represents a worst case scenario as it is anticipated that the redeployment process should enable some of the affected individuals to be redeployed.

#### **7. LEGAL AND STATUTORY IMPLICATIONS**

- 7.1 The Council is required to have due regard to the statutory equality duties when it makes relevant decisions that may impact upon gender, racial or disability groups or individuals. Failure to have due regard to these duties can affect the legality of the decision.
- 7.2 The Council's policies as recorded above have been drafted to take into account relevant statutory and contractual legal requirements in relation to termination and variation of employment contracts.

#### **8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

8.1 As set out in this report we have monitored the Council's restructure process carefully in order to be able to assess the impact on BME employees. In addition we have carried assessment for other groups covered by equalities strands.

**9. CRIME AND DISORDER IMPLICATIONS**

9.1 No crime and disorder implications have been identified.

**10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1 The Council's voluntary redundancy scheme and other employment options is a means of risk management as it enables employee options with regards to their employment and minimises compulsory redundancy.

10.2 The Council has additionally taken careful consideration of service needs and developed business case analysis for all reorganisations in order to protect as far as possible delivery of effective services to the community.

**11. APPENDICES**

None

**12. BACKGROUND PAPERS**

None