

Report of: ~~Chief Officer HR~~ _____

Report to: Chief Executive

Date: 26th July 2016

Subject: Refresh and Issue of Section 188 Notice

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. On 17th July Executive Board considered a report setting out the Council's Medium Term Financial Strategy. This refined our position regarding the Government's Spending Review through to March 2021.
2. This report gives the latest savings projection for this period and the implications for staffing budgets have been considered. There is an ongoing need to consider how these challenges can be met, including the potential impact on employment spend; resulting in the need to refresh the current 'section 188 notice' (under s.188 of the Trade Union and Labour Relations (Consolidation) Act 1992(TULR(C)A)) to collectively consult with the trade unions to avoid redundancies. The current s188 notice was served in December 2015. This followed earlier s188 notices arising from the 2010 Spending Review.
3. Since 2010 the Council, working jointly with its recognised trade unions, has made substantial savings - and avoided the need to make large scale compulsory redundancies. Further funding reductions necessitate the need to continue collective consultation with the trade unions to realise savings, whilst endeavouring to avoid compulsory redundancies where possible.

Recommendations

4. To approve the serving of a refreshed s188 notice to collectively consult with the trade unions in relation to potential redundancies in the light of further anticipated funding reductions for the period 2016/17-2020/21.

1 Purpose of this report

- 1.1 To seek agreement to serve to the trade unions a refreshed Section 188 notice under s.188 of the Trade Union and Labour Relations (Consolidation) Act 1992 (TULR(C)A).

2 Background information

- 2.1 In December 2015, the Council refreshed the s188 notice that was initially issued in 2010, to collectively consult with the trade unions to avoid redundancies across the workforce. This reflected the need to respond to an overall reduction in core government funding of £239m through to 2017/18.
- 2.2 With a re-assessment of the Council's financial position undertaken, a further funding gap has been identified. This will have an on-going need to reduce staffing budgets, measures to reduce employment spend, and jobs.
- 2.3 Potentially these changes may lead to compulsory redundancies; triggering requirements for statutory consultation. Specifically, the requirement for statutory consultation under s. 188 of TULR(C) A 1992 arises where an employer proposes to make more than 20 people redundant following the required minimum consultation period. Given the scale of reductions this is a possible scenario and therefore the Council needs to formalise this position.

3 Main issues

- 3.1 The Medium Term Financial Strategy outlines an expected £18.1m funding reduction by 2019/20. We believe this would equate to a reduction of 415 FTE posts through to March 2020. After this date a further £23m reduction is forecast – although the implications for job reductions has not been made at this stage. Likewise, this is also proceeded by a forecast job reduction 484 FTE posts in the 2017/18 budget. As a result there is need to renew the current section 188 notice in the event of potential compulsory redundancies.
- 3.2 Should the council fail to re–issue the section 188 notice, it will be exposed to a significantly higher risk of not meeting the above reductions and a risk of not meeting its legal obligations to consult collectively with the trade unions. Accordingly it is proposed a refreshed s188 Notice is issued. This will allow for formal consultations to continue and progress. Consultation would be with a view to reaching agreement on ways in which dismissals could be avoided; reducing the number of employees who may be dismissed, and mitigating the consequences of any dismissals.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The trade unions have been advised that a refreshed s188 notice is likely to be issued following the publication of the Medium Term Financial Strategy.

Consultation with the trade unions on specific proposals will be tabled in order to avoid wherever possible the need for compulsory redundancies over the period through to March 2020.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The section 188 notice will apply to all council employees. As consultations progress and more specific proposals are made, equality impact assessments will be undertaken on those specific proposals.

4.3 Council policies and Best Council Plan

4.3.1 Consultations with the trade unions will be in line with the Council's terms for collective bargaining with recognised trade unions.

4.4 Resources and value for money

4.4.1 The Council will progress consultations with the trade unions, aimed at, where ever possible achieving the necessary savings; modernising services whilst, wherever possible, avoiding the need for compulsory redundancies.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The council is required by law to comply with the Trade Union and Labour Relations Consolidation Act 1992.

4.6 Risk Management

4.6.1 Failure to re-issue the section 188 will expose the council to a significantly higher risk of not meeting the funding gap and/or failure to meet its obligations to consult collective with the trade unions regarding the possibility of redundancies.

5. Conclusions

5.1 By re-issuing a s188 notice there can be further statutory consultation with the trade unions to seek to avoid redundancies by:

- reducing the need for redundancies through staff turnover (i.e. so far as possible not replace staff who leave the Council);
- promoting voluntary severance and retirement schemes, inviting expressions of interest in voluntary redundancy;
- reducing staffing costs through other means by, for example, further reducing the need for agency staff and overtime;
- flexibly deploying staff into other roles across the Council where the need arises;
- amending terms and conditions of employment – if appropriate, and;
- working collaboratively in partnership with other organisations in the City and Region.

6. Recommendations

6.1 The Chief Executive is recommended to approve the preparation and issue to the recognised trade unions of a refreshed Section 188 notice, corresponding with information and the HR1 to the Insolvency service.

7. Background documents¹

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.