

**OVERVIEW AND SCRUTINY TRANSITION BOARD
8 MAY 2009**

APPLICATION OF THE APPOINTMENTS PROCEDURE

Purpose

1. To inform JOSTB of :-
 - 1.1 The progress made in applying the jointly agreed Appointments Procedure.
 - 1.2 The number of staff across the five previous authorities whose employment was terminated by 31st March, 2009 or who were issued with notice of termination of employment by the 31st March, 2009, and the consequent severance costs.
 - 1.3 The anticipated process and timescale for harmonisation.

Application of Appointments Procedure

2. The purpose of the Appointments Procedure, which was jointly agreed with Trade Unions in summer 2008 and adopted by the Implementation Executive in October 2008, includes :-
 - 2.1 Seeking to maximise appointments and minimise compulsory redundancies.
 - 2.2 Complying with employment law/individual rights.
 - 2.3 Employing suitable people.
3. In essence, to this end the Appointments Procedure provides :-
 - 3.1 The criteria by which staff are matched to jobs in the structures (i.e. ownership as described in the appointments procedure).
 - 3.2 A redeployment process to apply from the 1st April, 2009 designed to find suitable alternative employment to those staff not matched to a job, and thereby avoiding the termination of their employment on the grounds of redundancy.
 - 3.3 Opportunities for staff to apply for vacancies which may provide opportunities for promotion and thereby offering further redeployment opportunities.

4. The figures showing the progress in applying the appointments procedure, as at the 21st April, are attached. This means that :-
 - 4.1 2,475 staff (88 %) have been matched to a job.
 - 4.2 203 staff (7 %) have not been matched and are now subject to the redeployment process.
 - 4.3 136 staff (5 %) have yet to be subject to matching under the appointments procedure. Of these 79 are in Resources and 37 in Amenity and Leisure. Otherwise the matching process is virtually complete.
5. All staff who have been subject to the matching and redeployment arrangements continues to be employed on their existing basic pay. No employee has been subject to a reduction in basic pay.

Severance

6. In 2008 the Implementation Executive acknowledged that while all staff had the right to be “transferred” to the new authority, there were likely to be a small number of very senior staff whose roles would cease at or shortly after the 31st March, 2009 and for whom there was unlikely to be any comparable alternative employment in the new authority. In such cases, and subject to all parties agreeing, exceptionally the employment of such staff could be terminated early on the grounds of redundancy.
7. In March and July 2008 the Implementation Executive :-
 - 7.1 Agreed severance arrangements to apply from 1st April, 2009.
 - 7.2 Encouraged the five authorities to adopt these arrangements early in order that there would be consistency in compensating those staff dismissed early, (as referred to above).
8. As at the 31st March, 2009, 34 staff across the five authorities had their employment terminated, or had been issued with notice of termination of employment to take effect after the 1st April. The cost of such dismissals is approximately £5.5M and funded from the provision for severance of £7,000,000 for such purposes. This does not mean that the staff dismissed share £5,500,000 in benefits, rather the costs reflect payments incurred by the authority such as:-
 - 8.1 Awarding one off payments under the Statutory Discretionary Compensation Regulations, redundancy payments and superannuation regulations.
 - 8.2 Early access to pension benefits.
 - 8.3 Augmented pension under the pension scheme.

Harmonisation

9. On the 1st April, 2009 the new authority inherited five different sets of pay and terms of employment. These arrangements are not sustainable in the long term on the grounds of :-
 - 9.1 Equality, as these differences provide potential risks under equal pay legislation.
 - 9.2 Equity, with staff being paid differently for working alongside each other and doing the same job.
10. At an early meeting, the Cabinet of the new authority will consider its approach towards harmonisation of pay and other terms of employment. To this end, the Cabinet will need to have regard to the financial, industrial relations, legal and individual service implications which would arise under different approaches towards harmonisation.
11. Following determination by Cabinet of its preferred approach, there would then need to be a proper process of consultation and negotiation with Trade Unions and staff prior to implementation. The jointly agreed appointments procedure provides for this, and for implementation from October 2009. Consultation and negotiation may well extend beyond that date, in which case retrospective implementation would need to be considered.

Conclusion

12. OSTB is asked to note this report.

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