

MINUTES OF A MEETING OF THE
LOCAL JOINT PANEL HELD IN THE
WAYTEMORE ROOM, COUNCIL OFFICES,
THE CAUSEWAY, BISHOP'S STORTFORD
ON WEDNESDAY 19 JANUARY 2011, AT
2.00 PM

PRESENT: **Employer's Side**

Councillor M Wood
Councillors S Rutland-Barsby, L O Haysey
and J O Ranger

Staff Side (UNISON)

B Dodkins, Mrs J Sharp and Mr A Stevenson

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Committee Secretary
Emma Freeman	- Head of People and Organisational Services
Alan Madin	- Director of Internal Services

14 **APOLOGIES**

Apologies for absence were submitted from Chris Clowes and Councillors M R Alexander and A P Jackson. It was noted that Councillors L O Haysey and J O Ranger were substituting for Councillors A P Jackson and Councillor M R Alexander respectively. It was also noted that Paul Stevens was substituting for Chris Clowes.

15 **CHAIRMAN'S ANNOUNCEMENT**

The Chairman, on behalf of the Panel, welcomed back Emma Freeman and congratulated her on the birth of her daughter.

16 MINUTES

RESOLVED – that the Minutes of the meeting held on 16 September 2010 be approved and signed by the Chairman as a correct record.

17 SAFETY COMMITTEE MINUTES

RESOLVED – that the Minutes of the meeting held on 7 October 2010 be received.

18 MEDIUM TERM FINANCIAL PLAN - STAFFING IMPLICATIONS

The Secretary to the Staff Side submitted detailed comments in response to the Budget Proposals and Medium Term Financial Plan (MTFP) 2011/12 to 2014/15. The Director of Internal Services on behalf of the Secretary to the Employer's Side, submitted his response to those comments.

The Staff Side expressed concern that the MTFP report was confusing and was difficult to understand and track what was going on in terms of staffing implications. She commented on the sometimes conflicting figures which had been made available on the intranet and of the overuse of jargon and the differing estimates contained in related papers which made it difficult for a lay person to understand. The Staff Side said that it was good news that the Council was saving so much money which was in the main as a result of the refuse contract with Veolia.

The Staff Side Secretary queried whether the contractors could fulfil all their contractual obligations to achieve the savings and queried whether staff would be paid minimum wage. She stated that the absence of benchmarking had made it impossible to compare tenders. The Director of Internal Services gave assurances that the tender process had been competitive. Councillor Rutland-Barsby stated that she had played a role in evaluating tenders and the tender

had not been awarded to the cheapest tenderer as there was a quality objective to be achieved.

Reserves:

The Staff Side referred to the substantial level of reserves the Council had and that the Council should draw on that level of reserves to make savings. The Director of Internal Services sought clarification on the reference to “specialist advisor” mentioned by the Staff Side. The Staff Side clarified this statement. The Director concurred that the budget papers and the process was complicated but that Members and Staff had had an opportunity to ask questions about the process and proposals since the process had begun in July 2010. Information had also been made available on the Council’s website and the process had been submitted to scrutiny for comment.

The Director of Internal Services confirmed that the Council had healthy reserves and that more were being put into earmarked reserves which had been supported by Audit Committee. He explained the variances within the reports and refuted the suggestion put forward by UNISON that the budget was “smoke and mirrors”. In terms of typographical errors, the Director referred to the difficulty in co-ordinating six separate reports at a time.

Outturn:

The Staff Side referred to a number of variances within the report and the projected overspend which had later turned out to be a large underspend (e.g. the refuse contract). The Director of Internal Services confirmed that the £82,000 net positive variance was correct. He provided updates in relation to budget monitoring and on the latest estimates.

The Staff Side referred to the impact of cuts on back office functions as well as front line functions and services and referred to home workers’ heavy reliance on the services of IT staff.

Redundancies:

The Staff Side referred to a comment by the Director of Internal Services confirming that there would be compulsory redundancies. The Staff Side suggested that the £400,000 earmarked for this in this financial year would be insufficient and would not cover costs. The Staff Side stated that the list did not mention redundancy costs and queried how the level of savings would be achieved. She stressed that savings should be achieved via natural wastage, voluntary redundancies, early and voluntary retirement.

The Staff Side expressed concern about redundancies and the low morale of staff and of the fact that disillusioned staff would leave when the job market improved. The Staff Side referred to the fact that a number of senior managers had been made redundant and the impact on pensions going back to 2004.

The Director of Internal Services confirmed that there had been two redundancies last year which had been driven by necessity when the process started around savings and there were issues where efficiency savings could be made. He stated that the Council did not start out with a target in mind to create a level of redundancies and would always endeavour to reduce costs without recourse to redundancies. It was anticipated that within the next four years there would be redundancies and it was hoped that compulsory redundancies could be minimised.

Councillor J O Ranger stated that he would not want to see redundancies and would prefer other ways to reduce costs such as reducing working hours. Councillor Ranger referred to the CV (Curriculum Vitae) "Bank" whereby individuals could register their CV which would also be viewed by the 300 companies in the private sector.

The Staff Side referred to Strategic Direction and that some staff were keen to take voluntary redundancy but this was not supported by Human Resources. The Director confirmed that there were robust processes in situ and of the need for the Council to manage what staff it did not want to lose.

The Director of Internal Services acknowledged the fact that Senior Managers were aware of the low morale and that this would be addressed via a number of staff briefings which would consider the issue of the culture of the Council and behaviours between colleagues and the public.

The Staff Side stated that a worker earning between £8,000 - £9,000 a year and had the threat of losing an income, would not be able to remain motivated. The Director suggested that it was about adopting either a positive or negative attitude. The Staff Side stressed that the issue was about uncertainty of the future and that the process of managing staff expectations and uncertainty was not helped when particular roles were highlighted in the budget to disappear.

The Director of Internal Services explained that where any posts were considered at risk then meetings would first have been held with those individuals. He explained the process of consultation. The Head of People and Organisational Services stated that there would always be uncertainty until the formal consultation process had been reached.

UNISON felt that residents and staff needed to be protected and recommended that the levels of savings suggested be delayed for a financial year. At that point the C3W process would have taken place and from then, it would be possible to establish what natural wastage had occurred and so avoid compulsory redundancies.

Strategic Direction:

The Staff Side were concerned about the cuts projected for this section and the impact this would have on individuals. From the new structure there would be one redundancy and possibly three others. UNISON was aware of the large reduction in formula grants and of the need to work co-operatively. The Staff Side stressed that change needed to be managed well.

The Director of Internal Services confirmed that processes were being followed and that the Chief Executive would be preparing proposals. The Director confirmed that senior

managers would not be exempted from the proposals.

Partnership Working:

UNISON supported a partnership approach to working but not if this was detrimental to service provision.

Member Allowances:

The Staff Side considered the suggestion of a pay increase to Members to be insensitive at this juncture especially as staff would have to endure a pay freeze for the next 2/3 years. The Director of Internal Services stated that there were no proposals to increase Members' Allowances but that he could not predict what the Independent Review Panel might suggest.

Training Budget:

The Director of Internal Services confirmed that there would be a reduction in the training budget. In response to a query by Councillor J O Ranger, the Director confirmed that on average, the Council spent £200 per employee on training which was well above the average for other Councils.

Grant Reduction:

The Director of Internal Services explained that there had been a 16.2% reduction in Government Grant and that investment income was £850,000 below budget. In terms of the suggestion of "over-taxed residents" the Director explained that of the 201 Councils, East Herts was the 89th cheapest in Council Tax Band "D" and were in the 2nd quartile of the lowest increases. Councillor J O Ranger referred to the fact the Scrutiny had recommended to the Executive that Council Tax be frozen for two years.

The Staff Side referred to the lack of engagement with the community about the provision of services. He referred to the fact that the Government was promoting "localism" but were not following through and that it was up to local councillors to make a case to protect services and to find out from the

community which services they wished to support. Councillor J O Ranger stated that there was little change to the services residents already received and that no vital services were being cut. The Director of Internal Services confirmed that there had been consultation and that the public were happy to see savings and had even suggested a reduction in Police Community Support Officers.

The Director of Internal Services felt that the suggestion to use reserves as recommended by UNISON were not savings. As a way forward, it was suggested that UNISON's comments and the Council's response be referred to the Executive for their consideration.

The Panel supported this approach.

RESOLVED – that UNISON's comments on the budget and the Director of Internal Services' response be referred to the Executive.

The meeting closed at 3.35 pm

Chairman
Date