

EAST HERTS COUNCIL

LOCAL JOINT PANEL – 16 SEPTEMBER 2009

REPORT BY SECRETARY TO THE STAFF SIDE

7(A) IMPLICATIONS OF THE CHANGING THE WAY WE WORK
PROGRAMME (INFRASTRUCTURE AND FINANCE)

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To raise awareness of staff concerns about proposed reductions in expenditure relating to the refurbishment of Wallfields and the implementation of home and remote working.
- To obtain further detailed analysis of how cost savings will be achieved as a result of C3W in order to allay staff concerns about potential future compulsory redundancies.
- To receive assurances that C3W will not exacerbate the financial position of the council in the next two years.

RECOMMENDATION : that	
(A)	the report be noted and
(B)	further information on achieving cost savings as a result of changing the way we work be provided and reported back to staff and the next Local Joint Panel meeting.

1.0 Background

1.1 A report was submitted to the Corporate Business Scrutiny Committee meeting of 25 August 2009 and also to the Executive of 8 September 2009 on the financial implications of delivering the Changing the Way We Work Programme (C3W). The report presented indicative costs for the property and ICT infrastructure issues associated with locating the administrative functions to one main office, as previously agreed by the Council.

- 1.2 Various amendments to the recommendations were made by the Corporate Business Scrutiny Committee with a view to keeping costs to a minimum. These amendments have given rise to concerns by the Staff Side and a request for further clarification and update.
- 1.3 The report outlined the benefits of the programme, which included:
- Direct financial benefits, such as quantifiable cost savings or revenue increases
 - Direct non-financial benefits, such as service improvements, improved work life balance for staff
 - Indirect/qualitative benefits, such as indirect benefits for customers or partners of East Herts Council.
- 1.4 The report did not seek to quantify the financial benefits but stated that these would become clearer as services were reviewed over the next 18 months. However, a target of not less than £1.5 million per annum was considered appropriate.

2.0 Report

- 2.1 The Staff Side is concerned that having almost completed the property deal on the Causeway offices, committing the Council irrevocably to the C3W programme, Council Members are now becoming anxious about rising costs and are proposing economies.
- 2.3 Examples of suggested budget reductions are:
- Reviewing the amount of money spent on a cooling system at Wallfields when the second floor reaches temperatures in summer of over 90 degrees and the number of employees will be increasing significantly.
 - Reviewing the need to replace the greenhouse roof, when a case has already been made for replacement on the grounds of temperature and noise problems suffered by staff.
 - Expecting the staff disturbance allowance to be offset by staff efficiencies and savings, when services are already under further pressure due to this year's budget funding gap and a review of terms and conditions. There are no potential efficiency gains in the use of the disturbance allowance.

- Questioning the need for the ruggedized laptops for use by mobile workers, when these are recommended by computer experts as the most suitable and cost effective.
 - Questioning the need to supply home workers with desks, chairs and printers. There are Health and Safety risks in this approach.
- 2.4 The above points will send out a negative message to staff; firstly, that the council is attempting to save money at the expense of staff and secondly that the programme could be jeopardised by the council's lack of commitment to adequately resource the ICT infrastructure - an essential prerequisite of C3W. The absence of any additional staff in IT to support flexible working is alarming to say the least.
- 2.5 The omission of a list of quantifiable financial benefits to the council is also of concern to staff. Heads of Service are under severe pressure currently to find efficiency savings and cut their budgets. At the same time UNISON is having talks with Human Resources about the review of terms and conditions of service. On top of this, staff from both Bishop's Stortford and Hertford will have to radically change the way they work under the C3W programme.
- 2.6 Most staff are becoming resigned to change and providing the full infrastructure is in place and they are adequately equipped to adapt to new working practices they will manage the change effectively. The one thing they would not accept, added to C3W and a possible change to terms and conditions is the threat of compulsory redundancies.
- 2.7 It is difficult to see how the council will achieve a 10% productivity saving through C3W alone. Although it is acknowledged that other measures such as early retirement, flexible retirement, a voluntary reduction in hours etc will help to cut costs, these measures are already required to plug the existing budget funding gap of £1.5 million. With this gap and a further £1.5 million savings target, the Council is looking at finding a saving of £3 million. This will inevitably lead to reductions in services as well as poorer working conditions for staff and surely cannot be found from efficiency/productivity savings. An analysis of exactly how the council hopes to meet this target would be welcomed by staff. If redundancies are inevitable the Council should be honest about this. If they are not inevitable the Council needs to state clearly how these savings will be achieved.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A' (Page 4)**.

Background Papers

None

Contact Officer: Jane Sharp, Staff Side Secretary

Report Author: Jane Sharp, Staff Side Secretary

ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	There has been no specific consultation with staff relating to infrastructure and finance
Legal:	Not applicable
Financial:	As set out in the report
Human Resource:	C3W affects every member of staff
Risk Management:	Not applicable