STAFFING - RECRUITMENT PROTOCOL AND REDUNDANCY POLICY

1. Reason for Report
To advise Members of the current guidance on management of change including selection for redundancy, avoidance of redundancy, consultation regarding changes including redundancy, and the existing recruitment protocol.

2. Report Summary
2.1 This Council, in common with local authorities elsewhere in Scotland, is going through a period of change which will have implications for the Council's workforce.

2.2 Managing this change will be challenging and will require corporate cross-service co-operation and the application of best practice including consultation with recognised trade unions and communication with employees. To this end staffing policies, good practice guidance, protocols, and other support mechanisms are in place and agreement on consulting trade unions has been reached.

3. Glossary of Terms
HR - Human Resources
LGHA - Local Government and Housing Act
FES - Financial Efficiency Strategy

4. Recommendations
Members are asked to endorse the guidance, policies and protocols currently in place to govern change management and reaffirm these as best practice to be applied by service managers when dealing with change as set out in Appendices 1 and 2.

5. Corporate Plan Links and Contribution
Staffing is vital to all Council functions. This report relates to all aspects of the Corporate Plan.

6. Resources/Value for Money Assessment
Proper planning and co-ordination involving all services is essential to enabling change management and releasing efficiencies. Application of best practice reduces the risk of potentially expensive legal challenge.

7. Risk Assessment
7.1 Without clear redundancy criteria and process, and without full co-operation, there is a high risk of essential services not being maintained and of employee relations being further harmed. Even with full funding and Service co-operation, significant cross Service transfer and slimming down of the workforce carries welfare and industrial relations risks and will not be easily achieved.
7.2 A clear understanding of the criteria and processes involved in recruitment and redundancy will also reduce the risk of uncertainty among Members, staff and trade unions.

8. Authorities and Legal Implications
With due notice employment contracts can be changed and transfers effected. The Local Government (Housing) Act (LGHA) requires appointment on merit. This does not preclude internal appointment (especially where a clear redundancy is declared). It does, however, require an appropriate skills match to be evident.

9. Consultations
9.1 The Corporate Management Team have been consulted on the contents of this report and are fully in support of its terms and recommendations.

9.2 Trade unions have also been consulted on this report and any views received will be reported at the meeting.

10. Background
10.1 The Resources Committee at its meeting on 21 August 2007 agreed to receive a report on the Council’s recruitment moratorium policy to the next meeting of the Committee.

10.2 This Council requires to achieve major efficiency savings and this is likely to result in a reduction in staffing numbers.

10.3 Where redundancies have been declared or a clear transformation plan is in place it is possible to identify persons at risk of losing their job and to hold suitable vacancies against the appropriate skills set of those under threat. This enables internal transfer and avoids redundancy.

10.4 Where there is no declared redundancy the management of change process requires the wholehearted collaboration of service managers and a very clear political steer. This is because service managers are set the task of providing services. They know which jobs can remain vacant and which have to be filled. They are also the means of identifying people in posts which could be left vacant.

10.5 Until the Council has determined that a specific service is low priority, and resourced to a reduced level, managers face difficulty in selecting posts for removal and post-holders for re-deployment. There is also a need to ensure that the re-deployment of individuals can be justified.

10.6 These potential difficulties, however, can be overcome. The Council faces very severe financial challenges, and the potential does exist for transfers. However, as noted above, without commitment at all levels this process is unworkable. To be successful specific areas of service or categories of employment seen as essential could be ring fenced and excluded from the downsizing effort (but retaining, where practical, the ability to receive transferees). And those where non-filling of vacancies are acceptable could be the focus of work to redeploy. If this is done the prospect of more active management of vacancies can make a difference to Council costs.
11. Recruitment Protocol
There is a restriction on the recruitment of employees currently in place. The Protocol is attached at Appendix 1 and it is suggested that it is workable and should be retained with the exception of removal of the term “moratorium” which is not seen as plain English or strictly accurate.

12. Policy on Selection for Redundancy
In respect of possible redundancy, this Council has only on very rare occasions implemented a compulsory redundancy. While recognising that compulsory redundancy remains an option of last resort, it is worth re-stating that the Council has in place a policy on selection for redundancy. This is set out in Appendix 2 to this report. Some key points to note are as follows:-

- Statute requires that steps be taken to avoid redundancy. This includes the fact that voluntary redundancies are seen as separate from compulsory redundancies and so count as a step to avoidance.
- Business factors reflecting the Council’s priorities, can be taken into account but they must be reasonable and justifiable.
- Geography/location are also valid.
- Other employment legislation and related statute can also bear upon selection policy.
- Ultimately a redundancy, unless voluntary, is a dismissal.

13. Consultation Process
13.1 The law requires formal consultation on redundancies with recognised trade unions.

13.2 The Council supports joint collective bargaining through recognised trade unions and this is enshrined in individual employees contracts. As part of this the Council has agreed with recognised trade unions that they will be consulted upon any material change process.

13.3 There is no legal requirement to consult individual employees. However, best practice requires that groups of employees likely to be affected significantly by change should be informed and communicated with. The employer can not rely on trade unions to do this. It follows that a communication plan for line managers to engage the workforce has to be put in place and applied wherever such change is contemplated. Clearly at an appropriate stage individual contractual correspondence will also be needed. This will generally be after the formal consultation/involvement of recognised trade unions and communication with the wider workforce is complete.

14. Arrangements for Redeployment and Redundancy Selection/Avoidance
As noted at section 15 below, a team in HR has been funded and will now be set up. It is essential that this team is supported by service managers if the Council is to achieve its objectives in managing change.
15. **Key Issues**

15.1 A fund of £138k per annum for the next three years has already been earmarked to support action by Human Resources in relation to workforce consolidation. In practice this funding will be used to fund a small number of additional posts in Human Resources to manage and co-ordinate action on redundancies, re-training, and re-deployment. This support team will be put in place in the coming months and will continue for the three year period of funding. The full co-operation of line managers will be required if re-training and re-deployment efforts are to be successful.

15.2 The Council has very limited funding for retraining staff to any significant degree, for example to undertake specialist high level re-training over a period of years, it follows that, in most cases of redeployment, only normal induction and skills training such as would be available for a new start will be practical.

15.3 To make progress on reducing the Council’s overall workforce numbers, there will be a need for clarity about where budget reductions and workload/staff reductions are acceptable.

15.4 There is also a need to inform and involve trade unions at as early a stage as possible, and for line management to work closely with the central co-ordination team so that the transfers in and out are well handled and supported.

15.5 Finally, there may be a need for political will to effect compulsory transfer through the redundancy process if ultimately volunteers can not be found.

<table>
<thead>
<tr>
<th>David Archibald</th>
<th>Leslie Jardine</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Manager Human Resources</td>
<td>Corporate Director of Corporate Services</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Council Offices</td>
</tr>
<tr>
<td></td>
<td>English Street</td>
</tr>
<tr>
<td>Date of Report: 9 October 2007</td>
<td>Dumfries</td>
</tr>
<tr>
<td>File Ref: ST/1 DA/RK</td>
<td>DG1 2DD</td>
</tr>
</tbody>
</table>

APPENDICES – 2
Introduction

On 13th March 2007 Council made the decision to place a moratorium on recruitment to accommodate the impending implementation of Single Status and to provide redeployment opportunities for employees facing potential redundancy. At that time it was agreed that vacancies that were key to the needs of the service could only be recruited for following consultation with the Group Manager Human Resources.

On 23rd May 2007 the Corporate Management Team (CMT) agreed to revise the recruitment protocol allowing for vacancies to be strictly managed within Directorates with outcomes monitored by Human Resources and Finance.

The Protocol

The protocol remains that all posts vacant or becoming vacant which are not already advertised should wherever possible be left unfilled.

In practical terms only those posts which are statutorily required or demonstrably key to the needs of the service can be recruited for.

In circumstances where recruitment is considered essential and in accordance with existing policies on redeployment and redundancy avoidance, directorates must first examine whether the vacancy can be utilised for redeployment of directorate staff.

Human Resources will continue to monitor Council-wide redeployment opportunities and will inform directorates of any posts that could be utilised for this purpose.

This protocol will be reviewed following the Single Status ballot.

Group Manager Human Resources
23rd May 2007
Policy on Selection for Redundancy

Definition of redundancy

Redundancy is where the need for work ceases or diminishes in a particular employment or location.

Selection process

1. Volunteers from relevant employment groups will be sought in the first instance though there is no guarantee that all or any volunteer will be granted redundancy as business need will determine the practicality of release, however where practical volunteers will be sought with a view to avoiding compulsory redundancy.

2. Skills requirement will be assessed against the business need, with necessary skills being retained.

3. Location/Geography will be used to select where the distance from the location where the redundancy occurs to any other base where work may be required exceeds 10 miles. Where the distance is less than 10 miles compulsory transfer will apply.

4. Other relevant factors will be taken into account such as attendance or disciplinary record. However only formal, active, non expired disciplinary records are allowable and all other material factors must be evidenced and assessed for reasonableness in the circumstances before being used for selection.

5. Where all other factors are equal service may be used to select for redundancy. This factor must be carefully assessed and normally service of more than 5 years will count as equal. Exceptionally longer service may be used where this can be demonstrated as necessary.

Redeployment Policy

In cases of redundancy, where no suitable alternative exists within a 10 mile radius, employees selected for redundancy should be made aware of all jobs seen as compatible with their known skills and abilities.

Where the post is at a higher grade they must be assessed against the standard for the job in competition with other applicants. However they should be given an automatic interview where they meet the essential criteria in the person specification for the post.

Where the post is at the same grade they should be assessed against the essential criteria and if compatible offered that post as an alternative to redundancy.

Where the post is at a lesser grade the employee should be advised that the post may be suitable and asked if they wish to proceed to be considered (i.e. whether in the circumstances they will accept the post on its existing terms
and conditions) If they are willing to be considered then they should be assessed in the normal way and if they have the essential criteria for the post they should be appointed on the grade and terms for that post. In this case no redundancy will have occurred and no redundancy payment is due. The alternative is for the employee to accept redundancy and apply for the post in the normal competitive selection mode.

Where more than one employee is redundant but one of the above circumstances applies then the employees concerned should compete in a ring fenced selection to determine which gets placed in the vacancy in question.

Where alternative employment is identified, but is within 10 miles from the current base, the above rules will apply but the employee will be compulsorily transferred unless they rule out the role as unsuitable.

The search for suitable alternative employment will continue for the duration of any consultation and or notice period which applies. Employees will also have it drawn to their attention that they are free to apply for any vacancy whether identified by the employer as suitable or not. However unless accepted by the council as suitable competitive selection will result.

Retraining policy

1. Reasonable retraining will be given with a view to avoiding redundancy.

2. Reasonableness will be judged by –
   2.1 Considering whether an employee has the potential to attain competence (see 2.2)
   2.2 Taking into account the time available and needed to retrain.
   2.3 Taking into account the cost of retraining
   2.4 Taking into account the merits of competing candidates for the retraining experience
   2.5 Whether the employee is willing to accept retraining
   2.6 Whether another employee has a ready made skills match (in this case, unless more than 1 job is available the factors above would make retraining unreasonable)