

SHAREHOLDER COMMITTEE Agenda

Date Monday 23 March 2020

Time 5.00 pm

Venue Shaw Room, Civic Centre, Oldham, West Street, Oldham, OL1 1NL

Notes 1. DECLARATIONS OF INTEREST- If a Member requires any advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Paul Entwistle or Sian Walter-Browne in advance of the meeting.

2. CONTACT OFFICER for this Agenda is Sian Walter-Browne Tel. 0161 770 5151 or email sian.walter-browne@oldham.gov.uk

3. PUBLIC QUESTIONS – Any member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the Contact officer by 12 Noon on Tuesday 12th March 2020.

4. FILMING - The Council, members of the public and the press may record / film / photograph or broadcast this meeting when the public and the press are not lawfully excluded. Any member of the public who attends a meeting and objects to being filmed should advise the Constitutional Services Officer who will instruct that they are not included in the filming.

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MEMBERSHIP OF THE SHAREHOLDER COMMITTEE IS AS FOLLOWS:
Councillors Fielding, Jabbar, Shah and Ur-Rehman

Item No

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Report to Shareholder Committee

Unity IT Restructure

Portfolio Holder:

Abdul Jabbar Deputy Leader/Cabinet Member for Finance and Corporate Services

Officer Contact: Helen Lockwood Deputy Chief Executive

Report Author: Chris Petrie **Ext.** 3978

23rd March 2020

Reason for Decision

The Unity Partnership Ltd (the Company) Board of Directors have approved a restructuring of the ICT service. This will require a reduction in staffing that involves some redundancy and due to the Matters Reserved to Shareholders this requires approval of the Shareholder Committee.

Executive Summary

The Unity Partnership ICT Service needs to evolve in order to accommodate the digital skills necessary for a modern IT Support function. The Company has undertaken a detailed review of its current ICT operating model and proposed a restructure that was subject to a full staff consultation and engagement with TUs. The proposed restructure will increase the capability and capacity within certain teams in order to boost the skills and capability in these developing areas but reduce the effort required in some existing traditional roles and capabilities.

This restructure was approved by the Unity Partnership Board of Directors on 10 Mar 20.

The Articles of Association for the Company include a list of Reserved Matters that require the written consent of the Shareholder Committee (the Committee). Item 7 of the Schedule of Matters Reserved is "Any proposed programme of redundancies or rationalisation of a group of employees.

The restructure includes a proposal for a reduction in seven posts that is expected will be met by 6 Voluntary Redundancies and, at worst case one possible Compulsory Redundancy. However, it is hoped that the latter may be avoided through use of redeployment and re-training. There will be recruitment into three new posts that will result in a net reduction of four posts that will therefore create a saving to the operating costs of the ICT service.

Recommendations

It is recommended that the Shareholder Committee:

1. **Notes** the Board of Directors has approved the restructuring of the ICT service
2. **Endorses this decision and approves** the 'rationalisation of a group of employees' that will involve the use of voluntary redundancy and, at worst case, one possible compulsory redundancy.

Unity IT Restructure

1 Background

- 1.1 A review has been undertaken within Unity ICT and the key finding was that the organisation should evolve to accommodate the digital skills necessary for a modern IT Support function, with an emphasis on remote support and cloud-based computing. This would be achieved through a restructuring to focus on developing those skills, which will increase the number of staff in certain teams in order to boost the capability in these developing areas but reduce the effort required in some existing traditional roles and capabilities.

The expected overall impact will result in the operations staff headcount (excluding team leaders, apprentices, graduate trainees and management) for Unity ICT reducing by 4 posts with the current 45 posts reducing to 41 by the end of the financial year 2020/21.

This reduction will be achieved by the removal of 7 existing posts and the creation of 3 new posts. Wherever possible the reduction in posts will be achieved through voluntary redundancy, the Unions have been fully engaged throughout.

Following a voluntary redundancy exercise, it is recommended that 6 ICT staff should be allowed to leave the organisation. There is a further post that will need to be removed, however the intention is to do this via redeployment and retraining if possible.

2 Current Position

- 2.1 Budgetary provision was made for the financial year 2020/21 of £350K to facilitate IT restructuring.

Allowing 6 staff members to leave through voluntary redundancy would result in a cost of £270,197 and result in annual salary savings of £171,199. The single possible compulsory redundancy, if not successful on redeployment, is estimated to cost approximately £10k.

It should be noted that the estimated cost of £270,197 was based upon an assumption that the staff would leave the organisation on 31st March 2020. The actual leaving date is likely to be 28th May so the true cost will increase slightly on the figure quoted above.

3 Options/Alternatives

- 3.1 The Committee do not approve the 'rationalization of a group of employees' in which case the restructure will not be able to proceed and the new capabilities and savings will not materialise.
- 3.2 The Committee endorse the Unity IT restructure and approve the 'rationalisation of a group of employees' thus allowing the restructure to complete and recruitment into new roles to commence and savings to be delivered.

4 Preferred Option

- 4.1 Option 3.2 is the preferred option,

5 Consultation

- 5.1 Staff consultation began on 16 January 2020 in liaison with HR and working closely with the Trades Unions. This closed on 21 February 2020 and no major objections of issues were forthcoming

6 **Financial Implications**

6.1 The cost to the Company and to the Council will be met from the following sources:

- Unity ICT budget (2020-21) £157,827
- Oldham Council Pension strain budget £112,370

The initial costs to Unity can be accommodated in Unity's approved budget for 2020-21 and recovered by future salary savings within 2 years. The savings thereafter will be passed on to the Council. The Council Director of Finance has agreed that the pension strain amount will be funded from the existing group pension reserve and therefore this will not impact the Company budget. (Chris Kelsall)

7 **Legal Services Comments**

7.1 Any redundancies should be in accordance with Unity's policies and procedures having regard to HR advice to mitigate any risk of challenge. Currently the Articles of Association provide that 'any proposed programme of redundancies or rationalisation of a group of employees' is a reserved matter and it is appropriate therefore that the Committee consider and determine the recommendations of the report. (Colin Britain)

8. **Co-operative Agenda**

8.1 The workforce will be better skilled to meet the technological demands of a modern IT environment by using collaborative technology which promotes a positive culture of inclusivity, engagement and ownership.

9 **Human Resources Comments**

9.1 The implementation of the restructure will be in full consultation with the employees involved and in line with Unity HR policies with the intention to reduce the number of redundancies wherever possible. ICT Management will be fully supported by Human Resources during this process. (Diane Thorpe)

10 **Risk Assessments**

10.1 None

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 None

14 **Environmental and Health & Safety Implications**

14.1 None

15 **Equality, community cohesion and crime implications**

15.1 None

16 **Equality Impact Assessment Completed?**

16.1 No

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 Rule 13 of the Constitution has been sought and agreed by the Chair of the Overview and Scrutiny Board.

19 **Background Papers**

19.1 None

20 **Appendices**

20.1 None

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