Scrutiny Report to the City Council

Management of Redeployment
Preface

By Councillor Mike Olley
Chair of Co-ordinating Overview and Scrutiny Committee
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The issue of redeployment is not a fashionable one. But it is extremely important. We must remember that redeployment involves real people – the people who deliver the services that we, as a council, provide.

Managing redeployment creates an escalating cost if we get it wrong – and we do get it wrong. We need to put that right and make redeployment one of our human resource priorities.

This report identifies clearly the way forward, dealing with the issues that can demoralise our staff and cost the council money. By managing redeployment properly we can stem the haemorrhage of almost £1 million a year. By fully adopting the recommendations we could go further.

I also believe that this report underscores the value of Scrutiny. We have found the way forward on an issue that has not been tackled properly. We worked with Central Personnel, who had the professionalism to understand and correct the issues that council structure had hitherto prevented from being addressed.

By opening up unfashionable issues like this, the Scrutiny system brings about worthwhile change. I feel that this is a significant and worthy challenge.
1: Summary

1.1 There is no overnight solution for redeploying staff currently on the Central Redeployment Register. However, there are some current actions that can be taken to improve this.

1.2 Redeployees within the council at 31 March 2002 comprised 133 staff on the Central Register, with a further 30 staff within departments. Centrally registered staff had been on the register for 283 days on average; staff within departments had been displaced for 194 days on average.

1.3 These redeployees comprise an estimated £2.54m of annual salary cost. Given the average length of time they have spent awaiting redeployment, this means £1.90m of inefficient wage spend.

1.4 The processes within the council for resolving issues of redeployment are in themselves relatively robust, and extensive amendment of these is not necessary. There are however issues relating to how well these procedures are applied. This is particularly the case regarding medical and long-term redeployees.

1.5 The effective management of redeployment is hindered by a number of issues, including:
   - How HR requirements are planned
   - The information held by and available to managers throughout the organisation
   - The current distinction between redeployees within departments and registered centrally
   - The attitude of managers to redeployees
   - The degree to which managers are held accountable
   - The use of temporary appointments and resolutions for redeployees

1.6 Centralising redeployment will provide for a consistent approach to be taken overall. It will also provide:
   - Consistent handling of processes
   - Greater central control and drive on redeployment and managerial action with redeployees
   - Specialised skills used in redeployment to be utilised
   - The widest possible range of options to be considered for redeployees

1.7 Better management of the utilisation of temporary staff will facilitate a greater range of opportunities for redeployees. There is a need to control the engagement of temporary staff, to ensure that temporary staff are employed:
   - Only where genuinely required
   - After full consideration has been given to redeployment options
   - In a genuinely temporary capacity

1.8 Consideration needs to be given to the role that voluntary and compulsory redundancy need to play in resolving redeployment issues.
## 2: Summary of Recommendations

### Managing Information

**R1** Information on redeployees and temporary staff should be maintained regularly (at least monthly) for the entire organisation. This information should:
- Be in a common format
- Show performance against relevant measures
- Include details of cost
- Provide details on current action

**Priority:** ⬤ ⬤ ⬤  
**Within one month**  
**Responsible:** Chief Personnel Officer (via Chief Officers)

### Planning and Monitoring HR Needs

**R2** A process of planning and monitoring HR levels should be in place alongside budget monitoring. This should provide details of:
- The current situation
- Known and forecast changes in work and people
- The required (year end) position
- Action that will be taken to deliver this

**Priority:** ⬤  
**Responsible:** Chief Personnel Officer

### Controlling Cost

**R3** A control process is needed for the use of agency temporary staff. This should consider authorisation, based on evaluation of:
- The need to cover the work
- The cost of covering
- Alternative cost methods considered
- The duration of cover

**Priority:** ⬤ ⬤  
**Responsible:** Chief Personnel Officer

**R4** The issue of how BCC uses temporary staff requires further evaluation. The Co-ordinating Overview and Scrutiny Committee should examine this.

**Priority:** ⬤ ⬤  
**Responsible:** Chair, Co-ordinating O&SC

### Operating Redeployment Processes Effectively

**R5** The situation of long-term redeployees needs to be reviewed and action plans determined. This review should encompass:
- Medical redeployees beyond the six-month time limit
- At Risk redeployees who have been displaced for over 12 months

**Priority:** ⬤ ⬤ ⬤  
**Responsible:** Chief Officers
<table>
<thead>
<tr>
<th>R6</th>
<th>Proposals should be developed and implemented, centralising all redeployment for the Council. Implementation of this may be phased to allow for practical considerations.</th>
<th>♦♦ Chief Personnel Officer</th>
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</thead>
<tbody>
<tr>
<td>R7</td>
<td>Resourcing of the Central Redeployment Unit (CRU) should be reviewed, along with the basis for charging departments.</td>
<td>♦♦ Chief Personnel Officer / Director Finance</td>
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<tr>
<td>R8</td>
<td>The CRU should develop links with external and partner organisations to enable redeployment and external outplacement to be considered as another mechanism for redeployment.</td>
<td>♦ Redeployment Manager</td>
</tr>
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<td>R9</td>
<td>Where redeployees are used to cover temporary vacancies or secondments, there should be • Clearly stated expected outcomes • Specific actions for the appointee’s manager • Clear performance measures • Specific review dates set and adhered to</td>
<td>♦♦ Departmental Redeployment Link Officers / Redeployment Manager</td>
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**Redundancy**

| R10 | Redeployment processes should be clearly time-limited in all cases. These limitations should be made clear to the redeployee at the earliest possible stage, with an indication of the likely outcome if this point is reached. | ♦♦ Chief Personnel Officer |
| R11 | Voluntary Redundancy needs to be developed as a tool for specifically targeting certain groups of staff to be given an incentive to leave the organisation (such VR schemes will naturally need to operate with regard to financial restraints at the time). | ♦ Chief Personnel Officer / Director Finance |

**Review**

| R12 | Progress against the recommendations made in this report should be reviewed after a period of three months. | ♦♦ Council Management and Organisation O&SC |
3: Introduction

3.1 Birmingham City Council (BCC) is a large employer, with a payroll budget of over £500m (excluding teachers). With such a sizeable amount of money spent on payroll costs, there is a need to continually seek to optimise efficiency within the human resource.

3.2 As a consequence of the size of the organisation, it is inevitable that there is always an element of transition within the workforce. Workloads and priorities change over time, as does the composition and ability of the workforce. Over the last two decades, most organisations have needed to adapt how they employ people to emerging requirements, and BCC is no different.

3.3 Whilst elements of the organisation are in transition, there is a loss in the efficiency of the human resource. Redeployees represent an aspect of the human resource that is not being used to full capacity. Arguably, maximum efficiency is not realistically attainable within an organisation of BCC’s size and complexity. However, this does not make optimising efficiency any less laudable a target.

3.4 Given the shift in the nature of employment in this country, job security is a valued aspect of an employment package. There are great benefits to be obtained from being recognised internally and externally as a ‘good employer, that values its staff’:

- Attracting the best recruits
- Good morale, fostered by the understanding that the organisation values its staff
- Dealing with issues of redeployment positively and directly, with dignity for the employee

3.5 It is also important to understand that the need for redeployment processes to operate comes from two sources:

- Organisational change, resulting in staff being ‘At Risk’ of redundancy, and
- Medical redeployment, where the employee becomes medically unable to perform their current role

3.6 This report examines the redeployment process and how it operates within the council. In doing this, it looks at how robust processes related to redeployment are, as well as looking at how these processes work practically within the organisation. It goes on to explore the reasons why redeployment processes may not be working as effectively as is possible, and identifies some actions that may be taken to improve performance.

3.7 This is in response to Member concerns that redeployment processes, whilst being generally robust as processes, are not applied fully or consistently by the council. The concern is that this fails to achieve the objectives of efficiency that the processes were aimed to deliver.
4: Current Processes

4.1 Planning Human Resource Requirements

4.1.1 Redeployment is not a process that operates in isolation. It is one of a range of outcomes from human resource (HR) processes. As such, it is important to first set this in context.

4.1.2 HR processes strive to match people to the work that the organisation needs to perform. The first step in this is in identifying the workload and nature of the workload that is required (i.e. how many people, of what skills / experience mix). This forms the basis for human resource planning, and identifying which people the organisation requires, with what skills mix, and in which areas.

4.1.3 The extent to which processes for planning HR within the council are used depends upon the initiative of individual managers. There is no overall requirement for planning HR needs, beyond the ability to deliver expenditure within the given salary budget.

4.1.4 In many cases however, managers do not have a plan for how they will employ staff. This is determined on a reactive, ‘when needed’ basis, resolving issues of resourcing levels as they emerge, rather than proactively shaping them.

4.2 Handling Changes in Organisational Workload

4.2.1 The council has a collective bargaining agreement with trade unions that outlines the process used to deal with issues of redeployment and redundancy (the Agreement for Redeployment and Redundancy, 1993). This states that it is the council’s policy to avoid the need for compulsory redundancy through (in order):

- Implementing cost control and ‘good-housekeeping’ measures:
  - Recruitment control
  - Using natural wastage
  - Eliminating the use of agency and temporary staff
  - Reducing non-contractual overtime working
  - Redistributing duties
- Using Voluntary Redundancy
- Redeployment

4.2.2 A diagrammatic representation of the process is shown in Figure 1 (below). In order to understand how redeployment works, it is also necessary to examine the processes that precede and lead to it.
### HOW SHOULD I MANAGE MY COSTS?
- Control Recruitment
- Control use of temporary and agency staff
- Reduce overtime
- Redistribute duties
- Consult with trade unions

### OFFERING VOLUNTARY REDUNDANCY
- Invite applications
- Identify potential ‘bumps’
- Decide who can go
- Keep employees informed

If savings achieved, no further action

### PREPARING FOR POSSIBLE COMPULSORY REDUNDANCY
- Consult with trade unions / employees and their representatives
- Identify work groups
- Choose selection criteria
- Select employees at risk

### ARRANGING REDEPLOYMENT
- Appoint a Link Officer
- Discuss position with employees
- Identify skills audit / job matches
- Place employees on ‘at risk’ register
- Offer alternative employment

If redeployment achieved, no further action

### TERMINATING EMPLOYMENT
- Obtain approval (Service Chair, Director of Personnel and the Chair)
- Discuss options with employees
- Issue notices of dismissal
- Continue attempts to redeploy until notice expires

Figure 1: Process for dealing with redundancy and redeployment

Source: Personnel Handbook
4.3 Controlling Cost

4.3.1 Successful organisations are founded upon a solid system of cost control. In this respect it is unusual that such a measure should need to be expressly stated in the process for redeployment and redundancy. In successful organisations it is taken as an understood principle that managers should control cost to a minimum at all times, regardless of whether redundancy or redeployment is involved.

4.3.2 The two key aspects that are examined here are those of controlling recruitment and the use of temporary staff.

4.4 Controlling Recruitment

4.4.1 Prior to advertising vacancies, departments are required to consider the possibility of accommodating their own redeployees within these posts.

4.4.2 The Central Redeployment Unit then examines all directly employed permanent and temporary vacancies within the council prior to internal or external advertising. This enables redeployees from other departments on the Central Register to be considered for such vacancies as a priority where a match exists to their skills and experience.

4.5 Engaging Temporary Staff

4.5.1 The recruitment control process does not apply to the engagement of temporary staff from agencies. Authority to engage agency staff lies at Chief Officer level. It is for individual budget-holders to determine whether they wish to utilise such staff, within the confines of what they can afford in their payroll budget.

4.5.2 Requirements for temporary staff differ across the organisation. Reasons for this include

- Cover for sickness, maternity and secondments
- Specific short-term projects
- Short-term fluctuations in workload
- Meeting work requirements whilst reorganisation takes place

4.5.3 Preferred suppliers are identified for agency staff, with whom BCC has established supply contracts (to obtain better value and consistent quality). In addition, the Education Department operates its own temporary staff services (Staff Agency and Citistaff), meeting specific needs within the department.

4.6 Voluntary Redundancy Processes

4.6.1 Under the present agreement, Voluntary Redundancy is considered as a means to achieve staff reductions once cost control and good housekeeping measures have been considered. This provides for staff to voluntarily waive their contractual rights to termination of contract, in
exchange for an enhanced consideration from BCC.

4.6.2 The VR process used by the council is tied to early retirement, and is aimed predominantly at the over 50s. The enhanced consideration consists of

- An enhanced redundancy payment, based on the statutory redundancy formula, but with no upper limit on the maximum weekly rate of pay
- Enhanced pension benefits (‘added years’ of contributions)
- Pension benefits becoming available for those eligible to receive them (the over 50s)

4.6.3 The main payment involved thus comes from the pension fund. Given that benefits are paid earlier than would normally be the case, this would put strain upon the fund were the council not to make payments to cover this.

4.6.4 Departments apply for VR to the Chief Personnel Officer, who confirms that there is a case for VR. This is done through the completion of a checklist to ensure all other factors have been considered. The application then passes to the Director of Finance, who approves release of the funding.

4.6.5 VR may also be used as a mechanism to create opportunities to accommodate displaced staff, through the process of ‘bumping’. This is however, not commonly used.

4.7 Redeployment for Staff ‘At Risk’ of Redundancy

4.7.1 A full summary of the redeployment processes is shown in Appendix 1.

4.7.2 Broadly, the process starts with the departmental Link Officer compiling a skills audit with the individual, to ascertain their transferable skills, experience and training. This is then used as the basis for matching the individual to jobs of the appropriate grade within the department.

4.7.3 Job matching is used to try to find a match of person to post. In doing this, a minimum of a 70% match to the person specification is sought, with the remaining difference to be bridged by training.

4.7.4 Once efforts to redeploy within a department have been exhausted, the department may choose to register the person centrally. This allows options in other departments to be considered. This may also run concurrently with central registration.

4.7.5 Best practice is that prior to terminating employment, a final case review meeting should be held, to review how the case has been conducted, and ensure that this is fair, prior to taking a decision to dismiss. Where the employee declines an offer, a review meeting is also held before the decision to dismiss is taken.
4.8 **Redeployment on Medical Grounds**

4.8.1 Medical redeployment is similar to that for staff at risk of redundancy, with the following differences:

- The need to redeploy is recommended by the Occupational Health advisor
- Reasonable adjustments to the work / workplace have not been possible
- In the case of injuries or accidents at work, the employee may have their earnings protected
- There is a six month time limit (including notice) on medical redeployment
- Occupational Health may be consulted on the suitability of posts offered in cases where there is dubiety over the nature of medical restrictions or the medical capability of the individual (in relation to the post)
- Occupational Health may specify that a medical trial should be conducted to assess suitability (the duration of which is not included in the six month time limit)
- A final case review must be held prior to terminating employment

4.8.2 The issue of how the council manages attendance is entwined within the issue of redeployment. Whilst not all medical redeployees may be currently long-term sick, in those cases that are, were the procedure to be applied correctly, this could reduce the period of time spent awaiting redeployment. Under the revised process for managing attendance, all long-term sickness cases extending beyond 14 weeks should go to a Final Case Hearing to consider:

- Further action to assist, further medical diagnosis or a period of rehabilitation
- Whether to refer for ill health retirement
- Whether to terminate employment

This does not however mean that in all cases the result is likely to be termination of employment or ill health retirement. Such action can only be determined on the merits of the individual case.

4.9 **Compulsory Redundancy**

4.9.1 It is the stated policy of the council that it will seek to avoid compulsory redundancy. Whilst this gives no guarantee that compulsory redundancies will not be made, the fact is that the compulsory redundancy process is not used at present.

4.10 **Negotiation on New Procedures**

4.10.1 Negotiation has been underway for some time with trade unions to revise the processes for redeployment and redundancy. This covers the issues of:-
• The length of time that redeployees may remain on the redeployment list
• Protection of salary and the ability to move people as a result of redeployment
• The issue of added years for Early Retirement and Voluntary Redundancy (this is being dealt with separately by the Director of Finance)

4.10.2 It has been agreed in principle that no one should remain on the redeployment list for more than twelve months, whether they are a medical or at risk redeployee.

4.10.3 It has been proposed (but not yet agreed) that the redeployment process is suspended for the duration of secondments, which would be designed to maximise redeployment opportunities for the individual. Once the person returns, the redeployment process continues for the remainder of their at risk period, with a guaranteed period of at least three months following return, in order to obtain a substantive post.

4.10.4 Negotiations are currently starting to move forward again, and one of the key debates will be about what happens if BCC is unable to redeploy an individual.
5: Physical Facts

5.1 Temporary Staff

5.1.1 The breakdown of use of temporary staff by department, for week ending 30 March 2002 is shown in Table 1. This is divided by staff employed through an agency (Table 1.1) and directly on temporary or fixed term contracts (Table 1.2). Details on how this information was compiled is given in Appendix 2.

5.1.2 The table shows that, in the week in question, there were 602 temporary staff in the council, costing £183.3k.

5.1.3 With regard to agency temporary staff, Table 1.1 shows that
- There were 392 staff employed (65%), at a weekly cost of £ 134.6k
- On average, these staff had been in place 214.82 days (30.68 weeks)
- The most common reasons for these staff being employed was to cover vacancies (44%), and for casual work (20%)

5.1.4 With regard to directly-employed temporary staff, Table 1.2 shows that
- There were 210 staff employed (35%), at a weekly cost of £ 48.6k
- On average, these staff had been in place 679.62 days (97.08 weeks)
- The most common reasons for these staff being employed was in a project role (27%), and no reason given (40%)

5.1.5 This information brings into question the extent of consideration of redeployees as a suitable means of resourcing these positions. This is particularly the case with agency staff, given the lack of direct overall control of their use.

5.1.6 The average length of time that temporary staff have been in the organisation is also questionable. Whilst this can be understood for directly employed staff (on the grounds that a significant proportion are on fixed term contracts), for agency staff, the information indicates
- These are not short-term. the average duration of 214.82 days for agency staff is not consistent with short term use
- A large proportion are covering vacancies (44%), for a long period of time (135.08 days / 19.29 weeks)
- There were a number of staff covering long term sickness for an extended period (242.64 days on average). Considered against the Managing Attendance Procedure (which provides for a maximum of 98 days), this seems extraordinarily long

5.2 Redeployees on the Central Register

5.2.1 Details of redeployees on the Central Register as at 31 March 2002 are shown in Table 2. Details on how the information was compiled is given in
Appendix 3. This shows that

- There were 133 people on the Central Register
- Of these, 74 were medical redeployees
- The average length of time since registration is 282.88 days (40.41 weeks)
- The cost to date of these redeployees was £1.643m

5.2.2 No detail is available on either (i) the average length of time actually taken to redeploy people from the Central Register, or (ii) the length of time prior to registration that these individuals were redeployees within their departments. It is difficult even to estimate whether this would be more or less than the amount of time that people currently on the list have been registered.

5.2.3 Analysing the details available further shows that there were 20 redeployees who have been on the Central Register since before 31 December 2000. Of these, 16 are medical redeployees, of whom four are currently off work due to sickness.

5.2.4 Reasons for the extended length of time for these redeployees include:

- Undertaking secondments, temporary appointments and placements, either currently or previously
- Departmental managers have not conducted case reviews as required
- Problems matching individuals to posts commensurate with their earnings level (this can particularly be the case with Manual grades earning significant amounts of overtime)
- Insufficient evidence of redeployment attempts being made

5.2.5 There were 36 medical redeployees who have been on the Central Register for more than the six-month time limit. Reasons for this include:

- The employee has undertaken trials / secondments or temporary appointments, and further possibilities may exist for redeployment (21 cases)
- The department has not notified the employee that the redeployment process is time-limited, and they are currently occupying a temporary role (4 cases)
- The employee is currently certified sick and unable to attend work (6 cases)
- The current situation is unclear (3 cases)
- The department has not notified the employee that the redeployment process is time-limited to six months (2 cases)

5.2.6 Table 3 shows the number of cases of centrally registered redeployees that have been resolved since January 2000. This shows that

- There has been a steady increase in the number of centrally registered redeployees over the last two years
- Despite this, over this time 235 people were redeployed to a permanent post
- The cases of 343 centrally registered staff were resolved in total
5.2.7 These cases have been resolved as a combination of work by the CRU and departments, but that belies the fact that there are clear benefits through operating a central system for redeployment.

5.3 Redeployees Within Departments

5.3.1 Table 4 shows details of redeployees within departments and not held on the Central Register. Details on how the information was compiled is given in Appendix 3. This shows that

- There were 30 redeployees held within departments
- Of these, 18 were medical redeployees
- These people have been registered for 193.92 days / 27.70 weeks on average
- The cost to date of these redeployees was estimated at £ 252.7k

5.4 Case Study: Closure of CSO Stores

5.4.1 The CSO stores was closed with effect from 31 March 2002, with the result that 39 members of staff required redeployment. This is examined as a case study of how such issues are handled.

5.4.2 The decision to close the stores was taken in July 2001, and it was at this stage that detailed plans for closure were compiled. The aim was to either redeploy or resolve the situation of the 39 staff displaced through Voluntary Redundancy. Whilst this was the overall aim, it was acknowledged that this might not entirely be possible, and additional provisions were made.

5.4.3 Under the proposal, the wage budget for the CSO Stores disappeared from 31 March 2002. However, it was acknowledged that there might feasibly be ongoing costs relating to staff. Along with provisions (such as ongoing requirements for premises, and disposal of obsolete stock and unrecoverable debt), a provision of £ 87k was marked for this.

5.4.4 In approaching the scheme, the aim was to avoid high-cost Voluntary Redundancies wherever possible through redeployment. To aid this, an extensive counselling and communication process was established. Were staff able to find alternative employment external to the city council earlier than 31 March, they were allowed to leave with reduced payment of notice.

5.4.5 At present (April 2002), there are seven of the 39 staff whose position is unresolved. A number of individuals under 50 left under Voluntary Redundancy. Whilst some of these could have been redeployed, the redundancies were considered in the interests of both the individuals and the organisation. Of the seven staff remaining, three are awaiting the outcome of applications for Voluntary Redundancy / Early Retirement (over 50s). The remaining members of staff will continue to be dealt with through the redeployment process.
6: Barriers to Effective Redeployment

6.1 Planning HR Requirements

6.1.1 Without an effective process by which HR requirements are systematically planned across the organisation, there is effectively no cogent overall plan to deliver requirements. Resolving situations requiring redeployment is an issue of ensuring efficiency, which should be an integral part of such a plan.

6.1.2 Establishing HR planning as an integral part of managing people costs effectively means that future requirements for Voluntary Redundancy can be forecast and analysed effectively. The absence of this means that decisions on using such mechanisms to reduce staffing levels are made with a degree of isolation, rather than considering them as part of an overall plan to deliver a required HR level.

6.2 Managerial Information

6.2.1 The degree to which appropriate managerial information on redeployees and temporary staff is maintained within departments varies considerably. Whilst the introduction of HRIS may address a number of issues (including that of consistency), there is a need to establish an effective interim measure for informing managers throughout the organisation of the information that they require.

6.2.2 In particular, the difficulty in obtaining information centrally means that it is difficult to take an overall view of such issues. In an organisation such as the council, which is not horizontally integrated to a high degree, developing an effective vertical flow of consistently collected information is imperative.

6.2.3 The productivity / efficiency cost of redeployment and temporary staff to the organisation is not measured as a matter of course. The concern is that if this issue is not highlighted, this reduces the likelihood that it will be addressed through management action.

6.3 Departmental Link Officers

6.3.1 Departmental approaches to redeployment vary considerably. Some have previously had dedicated, full-time Link Officers. However, current Link Officers are generally Personnel Officers, or other roles for whom redeployment has been added as an additional element of their normal role.

6.3.2 Some time ago, competence objectives for Link Officers were developed by the CRU to provide guidance to departments, and help Link Officers standardise best practices and minimum standards across departments. These objectives however appear not to have been used by departments to support operation of the process.
6.3.3 In many cases, the skills audit carried out by some Link Officers is not detailed enough to consider the widest possible spectrum of redeployment opportunities. There may be a training issue in conducting skills audits, or this could be the result of time constraints. Without a detailed description of what an individual can do, it is difficult to fully consider options that may be open to them.

6.4 Departmental Attitudes and Practice

6.4.1 All departments do not consistently apply the redeployment procedure across the council. Factors pointing to this are

- Medical redeployees who have not been advised in writing of the six-month time limit on redeployment
- Medical redeployees who have been awaiting redeployment beyond the six-month time limit
- Required reviews not being conducted

This lack of positive action means that resolving the issue can often become more complicated than it need have been in the first place. The total effect is that it cannot be consistently demonstrated that in every case the council has given serious consideration to redeploying these people. Were the council to take action such as dismissal in the future, this could be open to question.

6.4.2 Managers within the organisation are not keen to accept redeployees. This is a problem mentioned by everyone spoken to dealing with redeployment. It stems from a perception that all redeployees are on the redeployment list because they lack ability. This stigma leads to resistance from managers because they wish to recruit from elsewhere. Potentially, this can lead to managers

- Finding reasons not to take redeployees
- Not accepting that training gaps are bridgeable
- Stating unreasonable person requirements (such as amending job specifications and qualifications required to make it difficult for redeployees to meet them)

6.4.3 Changing the attitude of managers to accepting that redeployees can fulfil their resourcing requirements (even if this means giving a degree of training), is one of the key challenges in managing redeployment. This can only be achieved by

- Demonstrating cases where redeployment and re-training effectively meet resourcing requirements
- Resolving the cases of individuals for whom redeployment has proven problematic, and for whom is ultimately unlikely to be possible
- Ensuring that there is adequate organisational emphasis on resolving the situation of redeployees
- Denying alternative resourcing options to managers who have not thoroughly considered redeployees
6.5 Managerial Accountability

6.5.1 Whilst line managers within departments technically retain individual accountability (as the salary budget holder) for redeployees, there is little evidence to suggest that they are actually held accountable for progress with each case. There are no clear performance measures in this area; these should measure areas such as cost, numbers of redeployees, length of time spent awaiting redeployment, and key action points in the process. They should also be designed to encourage managers to carry out their responsibility by ensuring that the process moves forward.

6.5.2 There is no formal review process to ensure that projected staff cost savings arising from organisational change are actually achieved. Whilst such a process need not be a formal requirement, there should be a mechanism for evaluating why cost is generated by displacing staff when it is not projected as part of the original proposals.

6.5.3 An example of this is the CSO Stores Closure case study (see 5.4). A provision was made for staff costs of £87k, ensuring that the scheme was still viable, even in a worst-case scenario. In this case, it is straightforward to determine the point at which the original aims of the scheme may not be achieved, and to take appropriate action to achieve forecast cost outcomes.

6.6 Redeployee Attitudes and Behaviours

6.6.1 Some redeployees choose to limit the opportunities that they are prepared to consider in redeployment. Some perceive that BCC has an obligation to find them a similar role to the one they have been displaced from, especially in terms of pay and type of work.

6.6.2 Particularly after extended periods of time awaiting redeployment, redeployees can also become demoralised or even suffer stress and sickness absence. This can in part be exacerbated by managerial attitudes to redeployees. Being demoralised does not enhance their chances of being successfully redeployed.

6.7 Temporary Staff, Temporary Appointments and Secondments

6.7.1 Chief Officers have a high degree of discretion in the utilisation of temporary staff, especially those engaged from agencies. Whilst to a degree this is necessary to allow urgent requirements for key front-line staff to be resourced, the urgency of requirements should be open to question, particularly in support functions.

6.7.2 The situation regarding temporary staff is not monitored closely and consistently across the organisation. Given this, it is impossible for the council to say that these employees are definitely adding value in the most appropriate way. It is also difficult to say that full consideration is being given to appropriate cost control measures and use of temporary staff (as in the current agreement), before a decision is made to redeploy people.
6.7.3 The length of time for which temporary staff are engaged can often be extensive. This brings into question whether the role they are covering is indeed temporary, or whether temporary staffing is being used as a mechanism to resource permanent workload. Resourcing through directly employed people could lead to more opportunities for redeployees.

6.7.4 A number of long-term redeployees have actually undertaken secondments and temporary appointments. In cases where such temporary measures are used, there needs to be a clear and definable outcome to be achieved.

- If there is not such an outcome, then this raises the question of why the action is being taken in the first place
- If the outcome is not achieved, then this should provide an indication why
7: Finding a Way Forward

7.1 Managing Information to Foster Achievement

7.1.1 Having correct, accurate and timely information is fundamental to being able to manage any process. In the case of a large organisation such as BCC it is also essential that all areas are reporting and recording information in the same way. The information needs to be available from two perspectives: (i) that of the line managers responsible for acting, and (ii) that of the senior managers who are responsible for ensuring action is happening overall. Clearly, without a significant element of oversight and top-down visibility, processes and achievement will drift away from objectives.

7.1.2 Information needs to be directly related to key performance measures, demonstrating whether the organisation is achieving what is important. It is essential in enabling all concerned to understand what is required and how they are performing.

7.1.3 Many of BCC’s performance targets are formally established by Central Government, and commonly relate to the performance of other local authorities or the Core Cities. However, in establishing measures it is essential to be cognisant of the fact that this is not the only way. Targets need to be

- Taking positive steps towards being the best, not the best of a bad bunch
- Related to what BCC can afford and requires to deliver a given level of service

7.1.4 Performance measures that might be used in this respect include:

- The percentage of headcount as redeployees (Departments and Chief Personnel Officer overall)
- The percentage of annual payroll spend occupied by staff on the redeployment register (Departments and Chief Personnel Officer overall)
- The average amount of time that redeployees have been displaced (Departments)
- The average amount of time taken to redeploy people (CRU)
- The number of medical redeployees displaced for over six months (Departments)

7.1.5 In establishing performance targets, certain departments have specific situations that should be recognised. To establish uniform targets across the organisation in light of this would not be appropriate. Relevant issues here are:

- Social Services has a nationally higher level of absence and medical redeployment than other sectors of the economy; this is reflected in the composition of the Central Register
• Target levels of performance should not serve only as a stick with which to beat the department, but also as a carrot to encourage good performance
• Where targets differ between departments, this should still ensure that the overall organisation target is still achieved (i.e. relaxing the target for one department makes the target harder for others)

7.2 Planning and Monitoring HR Needs

7.2.1 Specifically planning and monitoring HR requirements is an essential element in controlling all HR costs. This cannot be done purely by relying upon financial information and reporting. It should provide a ‘heads up’, prompting action by line managers to achieve the position required by the organisation.

7.2.2 Planning and monitoring HR levels should be in addition to budget monitoring and take account of

• Where are we now? (i.e. how many people do we employ, and in which managerial units / roles?)
• What is going to change during the forthcoming year? (i.e. what workload changes are there, and how many people are forecast to leave / join the organisation?)
• How does this reflect against where we need to be? (i.e. to achieve the required level of payroll spend reduction in operating costs)
• What further action is required? (i.e. recruitment, redeployment, voluntary and compulsory redundancy)

7.2.3 Naturally, such plans evolve over time, and progress against the plan needs to be reviewed periodically. Where emerging circumstances differ from those in the original plan, a revised course of action may be necessary. To manage HR in this way requires the process to be driven from the top of the organisation downwards.

7.3 Controlling Cost

7.3.1 The particular area of cost control examined here revolves around the utilisation of temporary staff. This is not considered a direct issue of cost, since to find the resources to pay for temporary staff, departments must do this from within their existing budgets.

7.3.2 However, agency staff can conceivably occupy roles that might be suitable to accommodate redeployees. Given that the length of time that agency staff are employed for is in some cases quite extensive, this adds strength to this viewpoint.

7.3.3 Consideration needs to be given to how temporary staff are used in the council, from a position of cost and the potential accommodation of redeployees. Whether the department has the resources in the budget to engage the person is not the sole issue, since this will not lead to potential savings being realised. The question that should be directly asked in the first place is “What is the consequence to direct council
services if this person is not engaged?”

7.3.4 Such an appraisal drives the authorisation process, and should encompass

• The need to cover the work
• The cost of covering
• Alternative cost methods considered
• The duration that cover is required for

7.3.5 Until a consistent control process is in place across all departments to ensure this, then the council could not be said to be meeting the requirements of the Agreement for Redeployment and Redundancy. This could cause further complications were dismissals to occur and be challenged.

7.3.6 The information available regarding temporary staff in compiling this report is accepted as being limited. The scope of the issue also extends beyond how it touches upon redeployment. Consequently a more detailed examination of this in the future may be an appropriate exercise.

7.4 Operating Redeployment Processes Effectively

7.4.1 The processes in place for redeployment within the council are broadly sensible and robust. In terms of procedural issues, the points that need to be addressed are

• The lack of a defined timescale attached to redeployees At Risk
• Consideration of Voluntary Redundancy prior to seeking to redploy
• A distinction being drawn between redeployees within departments and on the Central Register
• A lack of definition on how secondments and temporary appointments for redeployees should work

7.4.2 How the process is operated is one of the major problems, with inconsistent managerial action across departments and the lack of a central catalyst for action.

7.4.3 Resolving the situation of redeployees who have been awaiting redeployment for an excessive period of time is a clear priority for departments. With 36 medical redeployees beyond the six-month time limit, and four at risk staff registered since before January 2001, these are clearly unacceptable periods of time.

7.4.4 Centralising all redeployment is an issue that has been discussed previously, but never actually implemented. This would bring the benefits of

• Consistent handling of processes
• Greater central control and drive on redeployment and managerial action with redeployees
• Specialised skills used in redeployment to be utilised
• The widest possible range of options to be considered for redeployees
7.4.5 It is important that any move to centralise redeployment does not take away all responsibility from departmental line managers to resolve the case of redeployees. There needs to be

- A mechanism whereby a lack of action or progress by line managers is challenged
- Accountability for achieving performance measures for all concerned

7.4.6 Centralising all redeployment would result in an increase in workload in the CRU, with a corresponding decrease in departments. Resourcing this needs to be examined and agreed appropriately. Departments already pay for the current costs of the CRU by means of the Personnel Services Recharge and the salary and costs of redeployees. To give incentive for achievement to departments, they should, on the basis of use (i.e. the number of redeployees), meet the additional costs incurred in the CRU.

7.4.7 Effective redeployment relies upon consideration of all options to avoid redundancy. The solution to this is not wholly internal to BCC, and the council needs to be able to consider how redeployees can be equipped with skills to enable them to work outside the council. For external organisations, this offers the opportunity to reduce their recruitment and training costs, whilst for BCC this helps solve the redeployment problem. Such methods have already been used with great success in the private sector (for example by Rover and British Coal), and need to be pursued by the council. Given that the council already works with (and in some cases, funds) a number of partner organisations, this could be an additional option in being able to redeploy people.

7.4.8 Referring again to the example of the Closure of CSO Stores, redeployees were registered centrally at an early point (August to October 2001) to maximise opportunities to redeploy. This has enabled the lowest cost option of redeploying people to be examined fully.

7.4.9 It is essential that redeployees be given the opportunity to acquire and develop skills through temporary appointments and secondments. It is also essential that wherever possible, redeployees are utilised productively whilst they are awaiting redeployment. However, it is concerning that a large number of individuals on the Central Register have undertaken such assignments, without resolving their situation as redeployees.

7.4.10 Where secondments and temporary appointments are used for redeployees, they need to be directly geared towards resolving the redeployment need for the individual. If they do not, they are in danger of merely ‘finding something for them to do’. Whilst this is the aim with the CRU, this is not consistent across the organisation. This entails ensuring that there are

- Clearly-stated expected outcomes from the appointment – how this is going to assist in redeploying the individual
- Specific actions for the department managing the appointment – things that need to happen to make it work
- Clear performance measures for the redeployee to be measured
against – so they are aware of what is expected of them
• Specific review dates to give feedback and measure progress

7.5 The Role of Redundancy

7.5.1 Whilst the subject of redundancy might be an unpalatable one, it nevertheless remains that there is a point where redeployment is no longer a realistic option. In reaching this point there are some important considerations that may avoid the need for compulsory redundancy.

7.5.2 There is no reason why the redeployment process should not be operated concurrently to redundancy, termination of contract on ill health grounds or ill health retirement) processes – in the case of VR, this is currently the case. Running the process concurrently reduces the overall timescale and encourages action from at risk staff (because their position is finite).

7.5.3 In order for this to be both fair and effective this requires

• Medical redeployment to be operated within the time limits provided for in the procedure
• Realistic and reasonable effort to be made (and documented) to redeploy
• Time limitations on the process to be made clear at an early stage
• A genuine acceptance (on both sides) that compulsory redundancy will be used as a last resort

7.5.4 How VR is used within BCC is one opportunity to ease the pressure for compulsory redundancy. The private sector has for a long time used VR as a flexible tool for downsizing organisations. Such VR schemes are designed to provide incentive to those that the organisation wishes to encourage to leave. General trawls for VR applicants can lead to a loss of important skills and applications from among groups of staff that the organisation needs. Developing VR schemes tailored to specific organisational needs to reduce specific groups of staff (such as redeployees) is an avenue that needs to be explored.

7.5.5 There are ever increasing financial constraints operating around the level of VR that the council can fund. The emphasis of the VR process should be flexible, to enable VR to be geared to achieving genuine efficiencies.

7.5.6 Ultimately, it has to be recognised that total avoidance of compulsory redundancy is not realistic in the modern employment market. The council needs to consider this very seriously as an organisation.
Appendix 1: A summary of redeployment processes

This appendix is a summary of the processes of redeployment in place within the Council. The full processes are accessible via the Lotus Notes database, BCC Personnel Handbook.

A1.1 Redeployment – Staff at risk of redundancy

A1.1.1 Redeployment is necessitated by two driving causes:

• Being displaced as a result of re-organisation ('At Risk' of redundancy)
• Becoming medically unsuitable to perform the duties of the post

A1.1.2 The Agreement for Redeployment and Redundancy (1993) covers the arrangements and process for redeployment. This is currently being re-negotiated, although negotiations are not yet complete.

A1.1.3 Individual line managers have responsibility for managing their staff who are awaiting redeployment. Salary / pay costs remain attributed to the displacing department until the individual’s situation is resolved.

A1.1.4 The department has the responsibility of finding alternative work for the redeployee. Once these efforts have been deemed exhausted, the department may choose to register the redeployee centrally. This may also run concurrently with central registration.

A1.1.5 Should an individual be registered on the Central Redeployment Register, payroll costs remain with the department, and the department is responsible for managing redeployment of the individual.

A1.1.6 Chief Officers are required to ensure that

• Link Officers have the time, resources and information to carry out their responsibilities
• Re-training is examined as an option
• The Departmental Management Team is updated regularly on the progress of redeployees

A1.1.7 The redeployment process starts with the Link Officer compiling a skills audit with the redeployee. This skills audit covers the skills, experience and training of the person, along with details of transferable skills, and other skills they may have (including those acquired outside work). This audit forms the basis of the job matching process, but also links to assessing training needs.

A1.1.8 Departments are obliged to consider the viability of re-training individuals for available roles. The extent of training required should be determinable from the skills audit.

A1.1.9 Job matching involves assessing whether the redeployee
• Meets at least 70% of the criteria on the person specification
• Has the same grade as the post

Interview is not normally required where there is a reasonable match, unless there is more than one redeployee being considered for the post.

A1.1.10 The individual will be appointed to the post unless it can be clearly demonstrated that the job is unsuitable for the employee. If there is disagreement between the selecting manager and the redeployee’s representative, the matter is referred to the CRU and Chief Personnel Officer ultimately.

A1.1.11 The Chief Personnel Officer has the power to direct departments to place redeployees into specific roles. Chief Officers also have this power within their departments. This power can be used where there is a suitable match, and either the employee or the recruiting manager is frustrating the process.

A1.1.12 Where an employee is offered suitable alternative employment and declines, their employment may be terminated and they lose their right to a redundancy payment.

A1.1.13 Employees may also choose to accept work that is not defined as suitable alternative employment, in the interest of securing a permanent post. If this involves a reduction in salary, the redeployee will have their salary protected for a period of six months. During this period, they will remain on the redeployment register as ‘Protected’, and still are assisted in seeking alternative roles at their own grade.

A1.1.14 Trial periods may be agreed where there are doubts on suitability due to a bridgeable skills gap, or where someone is moving to a new area of work.

A1.1.15 Best practice is that prior to terminating employment, a final case review meeting should be held, to review how the case has been conducted, and ensure that this is fair, prior to taking a decision to dismiss. Where the employee declines an offer, a review meeting is also held before the decision to dismiss is taken.

A1.2 Medical redeployment

A1.2.1 Medical redeployment is similar to that for staff at risk of redundancy, with the following differences:

• The need to redeploy is recommended by the Occupational Health advisor
• Reasonable adjustments to the work / workplace have not been possible
• In the case of injuries or accidents at work, the employee may have their earnings protected
• There is a six month time limit (including notice) on medical redeployment
• Occupational Health may be consulted on the suitability of posts
offered in cases where there is dubiety over the nature of medical restrictions or the medical capability of the individual (in relation to the post)

- Occupational Health may specify that a medical trial should be conducted to assess suitability (the duration of which is not included in the six month time limit)
- A final case review must be held prior to terminating employment

A1.3 The role of the Central Redeployment Unit

A1.3.1 The Central Redeployment Unit (CRU) assists with redeploying staff identified as displaced or medically restricted. This team is responsible for:

- Maintaining a Central Register of redeployees
- Targeting appropriate vacancies to redeployees

A1.3.2 The central team was originally established with 4.5 FTE posts. This team currently operates with two members of staff, and has operated as such since November 2000.

A1.3.3 Departments currently pay for the services of the CRU as part of the Personnel Services Recharge to departments. This is divided into three areas, including Recruitment and Redeployment.

A1.3.4 The decision whether to register a redeployee on the Central Register does however lie with the department. Departments have an obligation to resolve their own redeployment issues initially, and may not register redeployees if they consider that they can resolve the situation internally.

A1.4 The role of departments and Link Officers

A1.4.1 Departments still have a requirement to manage their own redeployment issues, with support from Personnel. Each department has a number of ‘link officers’ through which this is managed. These link officers progress issues on behalf of line managers and liaise with the Central Redeployment team.

A1.4.2 The role of departmental Link Officers for redeployment is to

- Explain the process to the individual (central and departmental)
- Liaise with the CRU
- Arrange appropriate training (with the Departmental Training Officer)
- Assist with looking for job opportunities
- Act as representative for their redeployees in interviews and discussions
- Provide support to the redeployee generally
Appendix 2: Collation of information on Temporary Staff

A2.1 Temporary Staff

A2.1.1 The information contained within Table 1.1 and Table 1.2 was collated from information requested from Departmental Personnel Officers (DPOs). This is the only means of obtaining such information.

A2.1.2 DPOs were asked to provide details of

- Temporary staff used within their department for week ending 30 March 2002
- Whether these were agency or directly employed staff
- The start and end date of their employment
- The hours employed and an indication of the cost for this (either at best actual cost, or a grade upon which a midpoint cost could be estimated)
- Details of the reason for and consequence of not engaging the person
- Total costs of agency and direct temporary staff for the 2001-2 year

A2.2 Basis for Cost Estimations

A2.2.1 Cost estimation is based upon week ending 30 March 2002 being a ‘typical week’ for use of temporary staff.

- The cost was calculated using either the hourly rate (for agency staff), or the mid-point of salary band (for directly employed staff)
- Where staff were employed in full time roles, this cost was calculated out to provide for a full week cost (they would only have worked 29.2 hours in this week)
- Temporary staff utilised for one-off, short-term assignments during this week are included (it is assumed that they would be replaced by other staff used similarly elsewhere in the organisation in another week)
- Where no information was available on the start date for the person, this was assumed to be the average of all available start dates, for the purpose of calculating cost.

A2.3 Problems with Collecting Data

A2.3.1 The response to this request for information was inconsistent and incomplete. Some departments were able to provide all the requested information, whilst others were not. The main exceptions were:

- Education could not provide details of staff used through Staff Agency and Citistaff. This is not a major problem as the use of these staff is believed to be markedly different from how other temporary staff are used in the Council.
- Social Services were unable to provide details of agency staff used,
beyond total costs for year to date.

- In the case of 64 people, neither a reason nor a consequence was given.

**A2.3.2**
Most departments were unable to provide the information within the three-week timescale specified. The inference drawn from this is that this information is not maintained for managerial purposes as a matter of course.

**A2.3.3**
There is a weakness in collecting information in this manner. The lack of visibility from an overall position means that departments could (theoretically) provide incomplete or incorrect information, without this becoming immediately apparent.

**A2.4 Reasons Given for Using Temporary Staff**

**A2.4.1**
The reasons given for using temporary staff were categorised as follows:

<table>
<thead>
<tr>
<th>Code</th>
<th>Reason</th>
<th>Possible causes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vacancy Cover</td>
<td>• Interim cover of a vacancy, whilst recruitment takes place&lt;br&gt;• Interim cover due to recruitment difficulties&lt;br&gt;• Cover of vacancy - reason not specified&lt;br&gt;• Unable to recruit suitably qualified staff</td>
</tr>
<tr>
<td>2</td>
<td>Maternity Cover</td>
<td>• Interim cover of a vacancy, whilst post occupant is on Maternity Leave</td>
</tr>
<tr>
<td>3</td>
<td>Sickness Cover (Short Term)</td>
<td>• Covering absence of less than four weeks</td>
</tr>
<tr>
<td>4</td>
<td>Sickness Cover (Long Term)</td>
<td>• Covering absence of four weeks or more</td>
</tr>
<tr>
<td>5</td>
<td>Secondment Cover</td>
<td>• Interim cover of a vacancy, whilst post occupant is on Secondment or Career Break</td>
</tr>
<tr>
<td>6</td>
<td>Casual Work</td>
<td>• Work of a temporary nature to cover seasonal peaks in workload&lt;br&gt;• For specific short-term projects, with irregular patterns of hours (e.g. consultation, surveying)</td>
</tr>
<tr>
<td>7</td>
<td>Project Role</td>
<td>• Specific fixed term posts within a project&lt;br&gt;• Roles whose existence is finite (such as New Deal or Student Placements)</td>
</tr>
<tr>
<td>8</td>
<td>Additional Workload</td>
<td>• Additional posts to clear a backlog of work&lt;br&gt;• To cover short-term variations in workload</td>
</tr>
<tr>
<td>9</td>
<td>Awaiting Review</td>
<td>• Awaiting review of the vacancy / organisational change</td>
</tr>
<tr>
<td>10</td>
<td>No Reason Given</td>
<td>• A reason has not been given by the department</td>
</tr>
<tr>
<td>11</td>
<td>Reason Not Clear</td>
<td>• The actual reason for the temporary appointment is not clear from the information given</td>
</tr>
</tbody>
</table>
Appendix 3: Collation of information on Redeployees

A3.1 Redeployees on the Central Register

A3.1.1 The information contained within Table 2 was collated from information maintained by the Central Redeployment Unit (CRU). This information is maintained from information provided about action taken by departments to the CRU, as well as including action taken by the staff within the CRU.

A3.2 Basis for Cost Estimations

A3.2.1 Where information on Spinal Column Point was available, this was used. Where it was not, the estimate is based upon the current midpoint of the grade banding of the person. The calculation of annual salary cost is based on this annual amount.

A3.2.2 Estimated cost is calculated from the date of registration on the central register. This estimation is intended to give an indication of the salary cost occupied by redeployees.

A3.2.3 The calculation is based on

- The higher of known earnings, salary midpoint or average protected earnings
- Divided by 52.17 (the number of weeks in a year)
- Multiplied by the number of weeks since registration (i.e. days since registration divided by 7)
- Multiplied by the full time equivalent to reflect part-time staff

A3.2.4 Variance to actual cost may occur where

- The redeployee was held within their department for a period of time before central registration (the cost will be greater).
- The redeployee was registered centrally prior to their job role ceasing to aid with redeployment (the cost will be less). This is not generally considered to be a regular occurrence.
- Medical redeployees are off sick and in receipt of half pay (less). However, if they are at work in another capacity, they still get full pay.
- Redeployees (At Risk) have a protected salary and are undertaking work of a lower grade. During this time, the additional cost is the difference between their substantive grade and the grade of the job. This element is however thought to be small.

A3.2.5 The cost estimation does not include the operational costs of the CRU:

- Wages and materials
- Officer time within departments
- Re-training
- Medical assessments
- Workplace assessments
A3.3   **Redeployees within Departments**

A3.3.1 The information contained within Table x was collated from information requested from Departmental Personnel Officers (DPOs). This is the only means of obtaining such information.

A3.3.2 DPOs were asked to provide details of

- Redeployees within their department not on the Central Register
- Why the individual is being redeployed
- The date on which they were displaced
- The current situation with the person (i.e. whether they are covering another post, at home sick, and so forth)
- The current action being taken to resolve the case
- Grade and salary

A3.3.3 Calculations of cost were on the same basis as that for redeployees on the Central Register (see A3.2.3-4 above). The only difference is that in the one case where duration of displacement could not be provided, this was assumed to be the average of other redeployees within departments.