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To: Councillor Laing, Convener; and Councillors Boulton, Flynn, Lumsden and Yuill .

Town House,
ABERDEEN 12 February 2018

STRATEGIC TRANSFORMATION COMMITTEE

The undernoted items are circulated in connection with the meeting of the **STRATEGIC TRANSFORMATION COMMITTEE** to be held here in the Town House on **FRIDAY, 9 FEBRUARY 2018 at 2.00 pm.**

FRASER BELL
HEAD OF LEGAL AND DEMOCRATIC SERVICES

BUSINESS

RESOURCES DELIVERY BOARD

- 13 **Migration to Transitional Target Operating Structure - Report Made Public After the Meeting** (Pages 3 - 22)

Should you require any further information about this agenda, please contact Mark Masson on 01224 522989 or email mmasson@aberdeencity.gov.uk

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COMMITTEE	Strategic Transformation Committee
DATE	9 th February 2018
REPORT TITLE	Migration to transitional Target Operating structure
REPORT NUMBER	CG/18/020
DIRECTOR	Steve Whyte
REPORT AUTHOR	Morven Spalding

1. PURPOSE OF REPORT:-

- 1.1 The purpose of this report is to provide the Strategic Transformation Committee with the opportunities for change that have been identified as part of the move to the transitional Target Operating Structure.
- 1.2 The report also provides information on the proposed reduction of posts that relate to this.

2. RECOMMENDATION(S)

- 2.1 It is recommended that Committee:
 - i. Notes the instruction given to the Chief Executive to develop the Council's organisational design within the Target Operating Model and submit recommendations for change, as necessary, to the Strategic Transformation Committee;
 - ii. Approves the proposed FTE post reduction in accordance with section three of this report;
 - iii. Agree the financial savings to be realised through the reduction of FTE posts from the establishment will be £10,378 million for 2018/19;
 - iv. Agrees that, if approved, the proposal is reflected in the 2018/19 revenue budget;
 - v. Instructs the Chief Officer Finance to ring fence £11.5m of reserves, including capital receipts, to fund VSER costs, as indicated in the Council Financial Performance – Quarter 3 2017/18 report to Finance, Policy and Resources Committee on 1st February 2018;
 - vi. Notes that £0.3m will be set aside from the existing corporate training budget to fund retraining and redeployment costs;

- vii. Instruct the Chief Executive to continue to offer VSER to employees, subject to the operational requirements of the Council and budgetary constraints.
- viii. Notes that there will be full consultation with Trades Unions in respect of the proposed FTE post reduction and that the Employee Change Journey booklet, shown in appendix 1, will be issued to all staff.

3. BACKGROUND/MAIN ISSUES

Background

- 3.1 In agreeing a new Target Operating Model (TOM) in August 2017, the Council considered a range of drivers causing change in the public sector. These included:-
 - changing customer demand;
 - the availability, flexibility; capability and cost of staffing;
 - legislation such as the Community Empowerment Act, and proposed education reforms;
 - enabling and disrupting digital technologies;
 - Customer demands for the need to improve and consolidate operational processes; and
 - the financial challenges faced by local government.
- 3.2 Following approval of the Target Operating Model in August 2017, the Council in December 2017 approved the transitional TOM structure and instructed the Chief Executive to develop further the Council's organisational design in line with the themes of early intervention; prevention; community empowerment and implementing the approved 'being digital' strategy.
- 3.3 Since then, a key focus has been on the alignment of services and staff posts to the agreed transitional TOM structure. All cost centres, services and staff posts have now been aligned to the appropriate part of the transitional TOM structure. Implementation and communication plans are being developed to migrate staff into the transitional TOM structure and adjust the relevant systems and processes.

Opportunities for Change

- 3.4 The Council is facing financial pressure over the coming years and staffing is one of the highest costs to the organisation. Accordingly, when implementing the transitional structure, opportunities to reduce service operating costs have been considered. It is also important that the transitional structure starts to move the organisation towards adhering to the approved design principles as part of the Target Operating Model.
- 3.5 Currently our organisational structure reflects the services and statutory duties we currently deliver. It is apparent that in bringing related activities together, it has exposed a level of duplication across the services. What is also apparent is the unstructured and complex hierarchical management structure across services, with at least five layers of management and more in some areas.

This is not consistent with the organisational and workforce design principles: *'Adaptive - the organisational design will be more flexible and less hierarchical thereby enabling resource to be moved to where it is needed'* and *'Empowered and Accountable - a model of management that shifts from supervision to empowerment of staff'*.

Opportunities have been identified to standardise and reduce management levels across services as the transitional structure is implemented.

- 3.6 As part of the alignment of services and posts to the transitional structure, an initial analysis of all clusters and service areas have been carried out to identify where there are opportunities for change. The output from this analysis was discussed with Heads of Services to ensure continuation of services as costs are reduced.
- 3.7 The opportunities for change are across many services within the clusters and were identified through:
- Identifying inefficient management spans of control;
 - Consolidation of teams leading to rationalisation as a result of duplication of activity;
 - Economies of scales where similar activity is being consolidated within a single team; and
 - New or amalgamated jobs resulting in a reduced need for the number of posts.

Reduction of Posts

- 3.8 Appropriate functional groupings, following the TOM design principles, eradication of duplication, consideration of span of control, as well as the introduction of digital processes, will inevitably lead to improvements in organisational efficiency which will reduce the resource required.
- 3.9 Migration to the transitional structure, and consideration of the opportunities for change, has identified a number of opportunities to reduce costs of service delivery. Further analysis of the opportunities is required; however at this stage the opportunities have identified a FTE post reduction up to 370 FTE posts. Included within this figure is the dis-establishment of 140 vacant posts.
- 3.10 The report is therefore asking for approval to reduce the number of FTE posts in the organisation by up to 370 across the functions as outlined below:

Function	Posts
Customer (including Business Support and ICT)	142
Commissioning	11
Resources	30
Operations	28
Place and Governance	19
Vacancies	140
Total	370

- 3.11 The posts detailed will be realised from a total population of 4,113 posts. This population number excludes teacher and social worker posts.
- 3.12 To support this work, analysis of the staff data, posts and cost centres was undertaken. All staff and post data has been sourced from the PSe system and all cost centre data sourced from the efinancials system. This has presented a much clearer understanding of the organisational structure, the relationships within it and the composition of our workforce, which in turn provides more robust data in the below categories to inform the migration to the transitional structure and to support the opportunities for change.

- Vacant budgeted FTE posts
- Agency usage
- Secondments and fixed term
- Higher Graded Duties
- Non supported VS/ER

The analysis of categories above will be used to reduce the impact on staff in post as post numbers are reduced.

HR Approach

- 3.13 As the Council migrates to the transitional structure and implement the opportunities for change, the above data will be analysed further and used to help realise the post reductions by firstly looking at the viability of:
- Disestablishing vacant posts where they have been vacant for a period of time;
 - Stopping the use of agency, where practical, and redistribute the work;
 - Stopping secondment and higher graded duty arrangements, where appropriate, and fill the post with displaced staff if the post is still required;
 - Review of fixed term contracts and, where possible, dis-establish, whereby the task justifying the fixed term is no longer required; and
 - Reconsideration of non-supported VS/ER applications and the potential use of bumped redundancy where appropriate.
- 3.14 If, after the above has been considered, the required reduction in posts has not been realised, the Council will use fair and appropriate processes of selection and/or matching, following consultation with Trades Unions in accordance with Council policy.
- 3.15 In the situation where an employee is displaced at this stage, it will be managed via redeployment processes. A number of potential redeployment options are outlined in the Employee Change Journey booklet attached in appendix one for information.

Communications and Engagement

- 3.16 It is recognised that change of this nature will cause uncertainty and anxiety in staff. In mitigation of this a comprehensive communication and engagement

plan is being developed to ensure staff and managers are kept informed and involved throughout the process.

- 3.17 Following the decision of committee, communication and engagement will increase at pace starting on the 12th February through a series of events with management, employee representatives and trades unions. Managers will also be provided with a briefing pack to outline their responsibilities throughout the transition process and to support them in cascading messages to their teams. They will also be kept informed and involved through the senior manager network.
- 3.18 Following the week of 12th February, the next phase of the Building the Council of the Future events programme will begin to ensure staff are aware of the approach and steps being taken through the transition period.
- 3.19 Complementing the events outlined above, communication channels will include, but will not be limited to:
- a website dedicated to Transformation;
 - a Transformation newsletter for those without ready access to computers;
 - an employee communication network with representatives from all services to ensure key messages are communicated direct to staff and provide a means of ensuring their views and feelings are taken into account; and
 - alternative methods by which employees can submit their questions, views and feedback.
- 3.20 Communication and consultation with Trades Union representatives will continue throughout the process in accordance with the Council's Consultation Protocol.
- 3.21 Information sharing and engagement with partner organisations and with customers will continue as necessary as part of the plans.

4. FINANCIAL IMPLICATIONS

- 4.1 The table below indicates the savings that will be realised through the reduction in posts from the establishment, both through the opportunities for change and the removal of vacancies. The calculations are based on an average salary as indicated in the table:

Description	FTE	Average £ per FTE £'000	Full Year £'000	Part Year Benefits Realised in 18/19 £'000
Opportunities for Change	230	35	8,050	5,478
Reduction of vacant posts	140	35	4,900	4,900
Total	370		12,950	10,378

- 4.2 To give appropriate time to implement the interim transitional structure, including the opportunities for change, the benefits realised in 2018/19 are part year savings, as shown in the table, because the full merge to the transitional structure will not be in place by the start of the next financial year.
- 4.3 Subject to operational requirements and budgetary constraints, the Council's VSER scheme has been and continues to be open to staff. It is essential that the case put forward to allow an employee to leave the organisation takes cognisance of both the cost and benefits arising, such that the longer term benefits outweigh the short term cost.
- 4.4 Based on 166 FTE, the average cost per FTE for the VSER cases agreed to date in 2017/18 is £49,900, Using this average cost, should the 230 Opportunities for Change posts referred to above translate to VSER, this would cost the Council £11.5m. It is recommended that monies be ring fenced from reserves, including capital receipts, to fund these costs.
- 4.5 Using the same basis as 4.4 above, the average saving per FTE in full year salary including on costs is £39,200. Whilst this is less than the average cost it is important to recognise that the benefit in terms of ongoing revenue savings is realised relatively quickly.
- 4.6 An assumed number of FTE and average saving per FTE has been used to arrive at the benefits which can be realised in 2018/19. Although the average saving per FTE post in 2017/18 is £39,200, a prudent approach has been taken in using an average salary saving of £35k, recognising the composition of posts and salary across the Council. It is important to be flexible, as migration to the transitional structure continues, such that the composition and level of FTE reduction may vary from that stated above whilst still achieving the same level of financial benefits.
- 4.7 Opportunities for Change encompass redeployment options which may require retraining to be undertaken. To facilitate this £0.3m will be set aside from the existing corporate training budget.

5. LEGAL IMPLICATIONS

- 5.1 In implementing the Target Operating Model the Council must continue to comply with its statutory obligations as a local authority employer and with relevant Council policies in respect of the changes impacting Council staff. If approved by Committee, the budgetary implications will be intimated to the London Stock Exchange.

6. MANAGEMENT OF RISK

- 6.1 The Corporate Risk Register includes risks in relation to Transformation.
- **Risk that Transformation does not deliver the required outcomes** - a long-term risk with the highest potential impact in terms of ability to deliver essential services, meet statutory obligations and deliver the budget

savings.

- **Risk that Business as Usual (BAU) activities are significantly compromised during the transition to the interim functional structure** - the risk reflects the transition to new structures and processes over the coming months and the potential impacts on core business. To mitigate this risk a robust governance structure has been implemented and during transition BAU performance will be monitored and reported into appropriate governance arrangements.

6.2 The corporate risks above include a significant impact on staff therefore an additional risk to the report is outlined below.

- **Employee** - in implementing organisational change such as the move to the transitional structure, there may be a risk of staff feeling unsettled. In mitigation of this all staff will continue to be included and engaged in the process, as outlined in the report.

The Corporate Risk Register is reviewed at each meeting of the Corporate Management Team (Stewardship).

7. IMPACT SECTION

7.1 The primary objective of the Target Operating model and the Transformation Portfolio is to ensure that Aberdeen City Council is fit for purpose to deliver its agreed priority outcomes for the city, its citizens and communities. These outcomes are expressed through the Local Outcome Improvement Plan and the Strategic Business Plan under the themes:-

- Economy
- People
- Place
- Technology

7.2 Impact on staff

The transitional Target Operating structure represents significant change from the existing model. As part of this transition all services and staff posts have been aligned to the transitional structure and staff will, of course, be interested in what the changes will mean for them individually in terms of their role, responsibilities and ways of working.

A reduction in posts across the organisation will have an impact on staff. Measures outlined in the report will reduce the potential impact, however if those measures are not successful in realising the reduction required, the approach outlined in the report and appendix to the report will be followed, enabling a voluntary approach to FTE post reduction.

An EHRIA has been completed and will be continually reviewed and updated as we implement the transitional structure.

Staff will be fully involved through the continuing development and implementation of the transitional structure. To support this, the

transformation governance structure includes a Communication and Engagement Board and a Communications Network.

8. BACKGROUND PAPERS

None

9. APPENDICES

Employee Change Journey booklet

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EMPLOYEE CHANGE JOURNEY

January 2018



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INTRODUCTION

Following the approval for the Target Operating Model by Council in August, which is designed to shape the future of the organisation and the workforce, the pace of change is gathering momentum.

The Council is committed to good employment practice and recognises the need to maintain a skilled and experienced workforce.

As the council implements the target operating model roles and responsibilities will change over time. This change is likely to impact on the type of roles and lead to a reduction in the future. Redeployment can help by retaining the skills and competencies of our employees, where skills are considered to be transferable.

This document outlines options which are available to employees through change.



EMPLOYEE CHANGE JOURNEY

As the Transformation Portfolio continues to develop, areas of the business will be reviewed to discover if:

- there are different delivery models for how we could provide services to the public



- there is the potential to remove manual processes and simplify how we do our business through the digital strategy



- there may be duplications of effort happening in services that we are now able to change through more joined up services and information



For the most part, this work will not begin until April 2018 when the new Directors are in place and are working alongside the Digital Partnership to set strategies and plans for the new functions.

If a service is under review for one or all of the reasons highlighted above, relevant staff will help to inform the new direction of travel by working with the Transformation Team to inform and design how we can improve and deliver services. This might take place through individual briefings, focus groups and/or larger scale briefings.

As part of the review and changes, there will be employees identified as “in-scope” and will experience some degree of change in regard to their work. This is now the start of the Employee Change Journey.

The change journey might entail providing services using different digital solutions, there might be a change to your line management structure and / or the team you work with or it may be identified that there are too many roles now needed to provide the improved service delivery model.

The extent of the change will vary from individual to individual and as such staff should ensure they are aware of all the options available and engage fully with the processes identified in the rest of this booklet.





VOLUNTARY SEVERANCE / EARLY RETIREMENT

If you have been with Aberdeen City Council for over two years, then potentially one of the options you may be considering is applying to leave through VS/ER.

Please look at these FAQ's which hopefully answer any queries you may have. If not, then please feel free to contact VSER@aberdeencity.gov.uk or call **01224 522430**.

WHAT IS THE DIFFERENCE BETWEEN 'VOLUNTARY SEVERANCE' AND 'EARLY RETIREMENT'?

VOLUNTARY SEVERANCE

Employees of the Council with at least two years' continuous service will receive a one-off lump sum of voluntary severance payment on termination of their employment.

VS will apply for employees who are under 50 or who joined the Local Government Pension Scheme after 2006 and are under 55.

EARLY RETIREMENT

Employees of the Council with at least two years' continuous service will receive a one-off lump sum of voluntary redundancy payment plus gain immediate access to their pension benefits on termination of their employment.

Early Retirement will apply at age 50 if an employee was in the Local Government Pension Scheme prior to 2006 and at age 55 if they were in the scheme after 2006. For those employees who have been members of the LGPS for less than 2 years they will receive a refund of pension contributions.

WHY IS THE COUNCIL INVITING EXPRESSIONS OF INTEREST IN VS/ER?

We want to improve on our customers' experience of the Council, staff experience and effective use of resources. In order to achieve this aim, especially when funding pressures are increasing, we need to change the way the Council works. Making changes will help us meet the growing needs of our residents and communities, and to secure an affordable and sustainable organisation for the future. Specific changes will be considered in more detail over the next three years but we know now that we are likely to need fewer employees. The Council's view is that considering 'expressions of interest' in VS/ER under the existing VS/ER policy is a fair way to proceed.



FUTURE ROLES

ARE YOU INTERESTED IN A DIFFERENT ROLE IN THE COUNCIL?

As we continue to transform the organisation, opportunities may arise where employees who are on redeployment could become a temporary resource where there is an unexpected demand for resources.



From our business intelligence, the main areas for which we may require staff in the future are:

- Early years practitioners
- Teachers
- Care Assistants
- HGV drivers
- Support workers (Adult Social Care)
- Care Managers
- Business intelligence
- Drivers
- Roads Operatives
- Environmental Operatives
- Technical Officer
- Recycling Officer
- Social Workers
- Joiner
- Labourer
- Painter
- Plasterer
- Programme Management
- Digital Delivery Manager (Agile PMs)
- User Researcher
- Content Designer (Web and Services)
- Digital Designer
- Digital Technology Developer
- Scrum Masters (agile delivery)
- Product Owners
- UX Designers
- Developer Software Engineers
- Operations Engineers
- Cloud Architects
- Integration Architects
- Security Architects
- Business Architects
- Data Scientists





GRADUATE LEVEL APPRENTICESHIPS:

Funding is available for Graduate Level Apprenticeships which gives individuals an opportunity to be in paid employment while gaining qualifications from Dip HE up to Master's level.

Universities and college will work with the Council as the employer to create a flexible learning timetable that meets the needs of the business and there is no maximum age limit on who can become a GLA so you can benefit from the employees additional skills and experience.

The courses that are available now are:

- IT Software Development at SCQF Level 10 (honours Degree Level)
- IT Management for Business at SCQF Level 10 (Honours Level)
- Civil Engineering at SCQF Level 8 (Dip HE Level)

For those starting in 2018, Graduate Level Apprentices learning costs will be funded for the full duration of the course. These courses will be utilised to build digital capability of the Council.





ARE YOU INTERESTED IN A NEW CAREER?

The following are career paths we could support through our re-training options

EARLY YEARS PRACTITIONERS

To work as an effective member of the nursery team delivering a flexible, high quality early learning and childcare service in order to meet the individual needs of children and their families.



What Qualifications do I need?

- You would need to obtain: a HNC Early Education and Childcare, or a S/NVQ Level 3 Children's Care and Development NNEB, or the equivalent
- You would then need to Register with or be eligible to register with the Scottish Social Services Council
- You would also need to undergo a PVG check for Regulated work with Children and/or Protected Adults or willingness to obtain prior to a formal offer of employment being made

How would I apply?

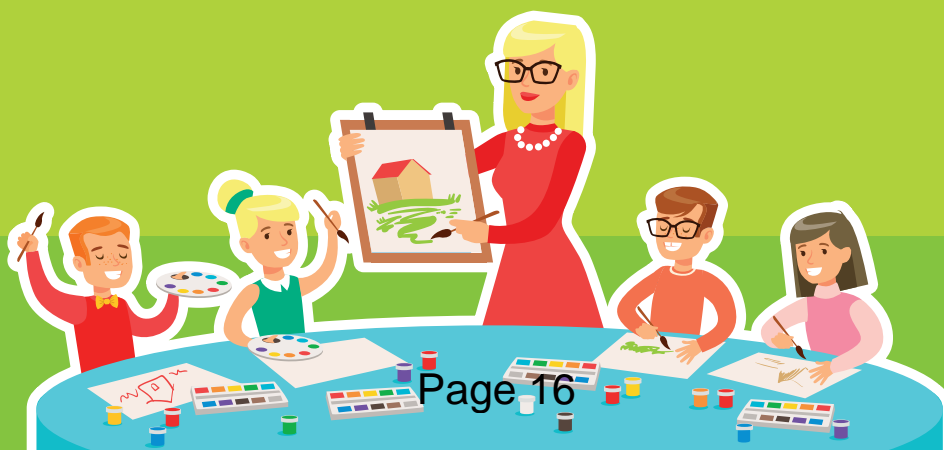
In order to ensure the best/most suitable employees undertake the EYP retraining course employees will be required to undergo the application process. The application process will include the following:

- Note of interest form
- Interview
- Written task

Further information:

Employees undertaking the course will be placed in an Aberdeen City Nursery. Aberdeen City Council will take full responsibility for arranging placements. During placements, employees will be assigned a mentor by Aberdeen City Council to support training and offer advice and guidance during the work placement. Aberdeen City Council will be responsible for arranging PVGs for employees and covering all associated costs.

It is anticipated that an employees' week will be split into 2 parts – 3 days of placements at a Nursery site and 2 days undertaking class room based training.





PRIMARY TEACHER – VIA THE DISTANCE LEARNING INITIAL TEACHER EDUCATION PROGRAMME (DLITE)

Working as an effective member of the school team delivering a flexible high quality education in order to meet the individual needs of children.

This is a part-time, distance learning, 18 month programme for individuals to achieve a Postgraduate Diploma in Education (Primary). Initially formed as a two year pilot programme; the success of this initiative has meant this now runs annually.



Upon successful completion of the course, students become probationer teachers within the local authority for one academic year. If they pass this probationary year they are guaranteed a permanent job as a teacher with Aberdeen City Council.

What qualifications do I need?

- Graduate degree with relevant experience working with young people (formally or informally)
- Higher English at Grade C or Above (or equivalent)
- Mathematics National 5 grade C or above; standard Grade 2 or above; Intermediate 2 at Grade C or above (or equivalent)
- Competent ICT skills for engaging in online distance learning
- Must meet relevant partnership local authority criteria

How do I apply:

- You can apply via an Application Form –to be submitted in August
- An Interview will take place – September/October
- Start Date if successful– Following January





SECONDARY TEACHER - DISTANCE LEARNING INITIAL TEACHER EDUCATION PROGRAMME (DLITE FOR SECONDARY TEACHING)

To work as an effective member of the school team, to deliver a flexible, high quality education in order to meet the individual needs of children.

Unlike the primary scheme there are not a definitive number of placements set per year, and this is a 24 month programme of study rather than 18 months long. At the moment, places for this are only available to people wanting to become secondary teachers in subjects such as Business Education, Computing, Mathematics, Home Economics, Physics, and Technical Education.



What Qualifications Do I Need?

- Graduate degree with relevant experience working with young people (formally or informally)
- Higher English at Grade C or above (or equivalent)
- Mathematics National 5 grade C or above; standard Grade 2 or above; Intermediate 2 at Grade C or above (or equivalent)
- Competent ICT skills for engaging in online distance learning
- Must meet relevant partnership local authority criteria

How do I apply?

- You can apply via an Application Form – August
- You will then take part in an Interview – September/October
- Start Date if successful – Following August

HGV DRIVER

Driving heavy goods vehicles in relation to environmental or roads work.

If you are successful in your application for the role and do not currently hold an HGV licence retraining will involve one weeks training and a test for class two (heavy vehicles) and class one (light vehicles).



What Qualifications Do I Need?

- Category C driving licence
- LGV Theory test
- Hazard Perception test
- Case Studies test
- Module 4 CPC test

How do I apply?

You can submit a note of interest form.





DO YOU HAVE SOMETHING YOU LOVE TO DO? TURN YOUR HOBBY INTO A BUSINESS

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As part of the support, the Council can offer employees support on the first steps of starting their own business and a career outwith the council.

Workshops will be established with key partners such as Business Gateway and the Princes Trust to support employees who wish to set up a business.

Support will be provided on how to establish a business and how to access sources of funding which may be available to assist with this process.

Business Gateway service will be key organisation in providing support.

Federation of Small Businesses. As a member of the federation they will provide 'intro to self-employment' sessions for employees.



WORK FOR OUR PARTNERS

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Support will be made available for employees who are interested in applying for roles that become available in partner organisations

A redeployment web portal has been built and will be migrated to Council IT Servers. The portal will be accessible to all employees who are on redeployment and partner organisations.

This portal will offer information on vacancies and the necessary qualifications for positions in various public sector partner organisation. As part of the redeployment process, support will be offered on developing CVs, interview practice and support with application forms.

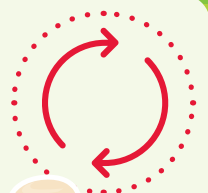


SUPPORT THROUGH CHANGE

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Support is available for employees going through change:

- Interview skills – a half day workshop giving guidance on filling out application forms, practice interview skills and how to be confident in interview situations
- CV workshop – a half day workshop which will help redeployees by providing guidance on creating and updating their CV
- Being adaptive – a half day workshop providing support to employees to explore and understand the change within the Council and the normal human reactions to change
- Pit stops on communication and engagement – the pit stops focussing on supporting employees in their communication and supporting employee engagement





FIXED TERM EMPLOYMENT

Those employees who are going through the redeployment process may also be considered for fixed term and permanent roles which are available.

The option remains to redeploy a permanent employee into a vacant fixed term post in the current situation, which is likely to be more prevalent as the number of permanent redeployment opportunities available have reduced. The permanent employee would remain a permanent employee with full employment rights (but being in a fixed term post) as a result of their continuous service.

At the end of the fixed term the employee would have the right to redeployment again based on their service. This would continue in relation to each fixed term post they were redeployed into thereafter. The right to redeployment would therefore be retained.

Should the employee remain in the same fixed term post, or for any reason the same substantive position continues past 4 years, the contract will no longer be deemed fixed and they will be classed as a permanent employee.





TAKE ADVANTAGE OF FLEXIBLE WORKING ARRANGEMENTS

There are a number of flexible working options i.e. term time, annualised hours, flexible retirement which will be available to employee.

The Council recognises the difficulties that individuals may have in balancing their working life with their out of work commitments and is therefore committed to developing policies to support the principle of work life balance and to provide a working environment which values and nurtures a diverse workforce.



There are a number of options which could be utilised regarding flexible working options. These can be found at: http://thezone/AskHR/YourEmployment/working_hours/EMP_flexible_working_scheme.asp

PENSIONS IMPLICATIONS

When considering the above it is important to consider any potential pension implications for employees as a result of any change in their hours. If the employee is reducing their hours then the only change is that the pension accrued going forwards from the change will be lower than it would have been because the pensionable pay is lower. Everything accrued to that point would remain the same and, if the employee has final salary benefits, the FTE pay will still be the same for the final salary part.

If their hourly rate is reducing or they are losing allowances then the pension accrued going forwards will be lower due to the lower pay going into the pension account but there could also be an effect on their final salary benefits if they were a member before 01/04/2015. The FTE pay would also be reduced which would make the final salary part of the pension lower than it would have been before.

Pensions would always use the best of the last 3 years rule for the final salary benefit so if they left/retired within 2 years of the change a higher pay would be available to use. If they leave between 2 & 3 years after the change then there would be part higher pay to use but the closer they get to 3 years the lower the chance that a previous year will work out higher. After 3 years there will definitely not be any previous year to fall back on.

If a certificate of protection is applicable then other protections will be in place for a period of time.

For more information on anything within set out in this guide and if you are interested in applying for any of the redeployment re-training options please contact the Workforce Change Team:

redeployment@aberdeencity.gov.uk

or call **01224 522430**



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