



Leicester
City Council

WARDS AFFECTED
Type in Ward

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Building Schools for the Future Project Board
Cabinet

6th September 2005
5th September 2005

BUILDING SCHOOLS FOR THE FUTURE – RELATED STAFF ISSUES

Report of the Head of Legal Services

1. Summary

This report provides a broad picture of the implications of BSF on staff together with general options for handling those implications. A client side structure is needed so that the Council will, from the outset, have a positive and clear relationship with the LEP and will maintain capacity for its other functions and priorities.

2. Recommendations

- 2.1 That the position on TUPE and TUPE equivalent transfers is noted, and in particular that the “extended” TUPE plus period of 3 years is agreed.
- 2.2 That a “prior consideration” procedure is negotiated with the LEP and the providers of the facilities management service.
- 2.3 That discussions take place with the LEP (once formed) as to the possibility of short term task based secondments.
- 2.4 That initial client side organisational structures be produced, noting that workforce remodeling may be needed.

3. Report

As the Building Schools for the Future project nears the stage (anticipated 23rd September) where shortlisted bidders will be asked for more detailed proposals it is necessary to identify the staff that will transfer to LEP under TUPE so that bidders will have a fair picture of the resources available and the likely cost. The Supporting Information describes what TUPE and other workforce related issues require consideration.

4. Consultations

Building Schools for the Future Project Board. Lynn Cave (Service Director (Property)).
Ian McBride, Surrinder Jumbu, Mike Powell.

5. Report Status

OTHER IMPLICATIONS	YES/NO	Paragraph references within Supporting Information
Equal Opportunities	Yes	12 (“Prior Consideration”)
Policy	No	
Sustainable & Environmental	No	
Crime & Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	

6. Financial Implications

Under these proposals, two aspects give rise to future financial implications.

1. **The Extended TUPE Plus 3-year Proposal**

It is normal practice that the City Council underwrites the additional pension costs that arise in TUPE transfers for employees affected in this type of situation. The pensions liability represents a future liability to the Council, which will be ongoing for a number of years. At this stage the costs of TUPE for BSF in the proposed ‘3-year plus’ scheme are not yet defined, the position will become clearer following detailed cost submissions from contractor bids at the ITN procurement stage. It is expected that the direct costs of TUPE to the contractors will be costed within the bid pricing, and reflected in the overall whole life cycle costs of the BSF project. At this stage the Phase 1 procurement of BSF lies comfortably within the affordability envelope agreed by Members at the approval stage of the Strategic Business Case (SBC) and a clearer picture of any additional cost implications will become clearer following examination and negotiation with the bidders at that stage of the procurement process. Any final affordability gap will be met, under

current proposals, by a shared contribution of 70% by the Council and 30% paid for by the Schools.

2. Client-side Organisational Structure

The client side organisation will be require resources which will need to be identified following detailed discussion with the bidders during the procurement process. At this stage it is not known what the internal Council organisation structure will be to support BSF on an ongoing basis, although the annual cost could be substantial. There are three possible ways to put in place the required resources, namely (a) use of existing staff (b) redeployment of staff and possible promotion or re-grading or (c) recruitment of new staff. The fist of these represents the least extra cost to the Council. Council Departments will need to fund the resource from within their revenue budgets, where possible offsetting the costs against possible savings elsewhere in the Departments.

The final position will become clearer after bidders submissions with detailed BSF proposals at ITN stage, and during negotiations thereafter.

Future Council budget targets may be influenced by these resource requirements on an ongoing basis from year to year, to a greater or lesser degree.

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7. Background Papers

None.

8. Author

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DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)