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Meeting **General Functions**

Date **6 January 2005**

Subject **Budget 2005/2006**

Report of **Head of Human Resources**

Summary This report identifies the scale of budget reductions required for the new financial year and outlines the steps required in achieving these reductions

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Status (public or exempt) Public

Wards affected N/A

Enclosures Appendix A – Budget Headlines
Appendix B – Breakdown of reductions in posts and staff redundancies by Service Area.
Appendix C - Proposed Selection Criteria

For decision by General Functions Committee

Function of Council

Reason for urgency / exemption from call-in (if appropriate) N/A

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1. RECOMMENDATIONS

- 1.1 That the list of posts affected by the budget proposals for 2005/06, as set out in Appendix A be approved.
- 1.2 That following completion of the statutory consultation with Trade Unions, the Head of Human Resources be instructed to serve the necessary notices to take effect following the meeting of this Committee.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Council 14 December 2004

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The Council is committed to working with the trade unions and consulting with them on issues that affect members of staff.

4. RISK MANAGEMENT ISSUES

- 4.1 Failure by the Council to take action as specified in the report would have further financial consequences for the Council. Failure to meet the requirements on statutory consultation could lead to the trade unions making application to the Employment Tribunal.

5. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 5.1 Financial implications of the proposed redundancies cannot be estimated at this point as not all the affected staff have been identified. Staffing issues are covered in the background information, with details of posts and staff numbers included as Appendix A. There are no ICT or property implications.

6. LEGAL ISSUES

- 6.1 None

7. CONSTITUTIONAL POWERS

- 7.1 The General Functions Committee is responsible for a number of Council functions not reserved to the Council, which includes staff matters (Constitution Part 3 – Responsibility for Functions)

8 BACKGROUND INFORMATION

8.1 Introduction

The Council, in agreeing the budget headlines for 2005/06, for consultation, were mindful of the Government guideline of 3.6% Council Tax increase.

8.2 The purpose of the paper is to:

- 1. Identify the scale of budget reductions required
- 2. Identify the likely impact on staff
- 3. Outline the steps already taken to meet the statutory requirements on the Council as an employer.

4. Outline the steps required in achieving these reductions and managing the consequences in the most effective way possible.

8.3 Scale of Budget Reductions Required

The impact of the Revenue Grant Settlement was to provide the Council with an extra £13.5 million grant to fund all increases expenditure, although after deducting the amount to be passported to the Schools Budget (£7.1m) and the loss of specific grants (£2.5m) the amount available to support the non – schools budget (c.£200m) is less than £4m. From this £4m, the Council must meet the increased cost of external levies (c,££1m), over which the Council has no control.

Set against these extra resources the Council faces a number of pressures which include higher inflation on Social Services placements, reduced income on local land charges, cessation of specific grants and the pension fund revaluation.

- 8.4 The situation has left the Council with no alternative but to identify a level of budget reductions and the draft budget proposes efficiency savings, base reductions and increases in fees and charges.

These proposals were outlined at Council on 14 December 2004. The savings can be summarised as follows:

- Savings in staff and non-staff related expenditure
- Increased revenue from increased fees and charges
- Other base budget reductions

The budget headlines are attached at Appendix A.

8.6 The likely impact on staff across the Council

The Council has identified savings which will impact on a total of 138.8 posts, of which 62 are currently vacant, across the Council. This does exclude school based staff. An indicative list of staffing reductions is attached at Appendix B.

The likely number of staff affected is therefore estimated to be 77 posts.

The likely distribution of these posts is roughly as follows:

Managerial/Technical	6
Professional	30
Clerical	34
Other	7

8.7 Steps taken to meet the statutory requirements on the Council as an employer

Once the Council had agreed the budget headlines for consultation, the Trade Unions were given a briefing on 15 December 2004 by Officers.

Staff briefings by Heads of Service followed this. The statutory process on consultation with the trade unions began on 15 December 2004 with the provision of the formal information required for consultation purposes by s.188 of the Trade Union and Labour Relations Act 1992.

8.8 Outline the next steps in achieving the reductions and managing their consequences in the most effective way possible

Given that the Council envisages reducing staffing levels by less than 100 members of staff it is required to engage in a consultation process for at least 30 days before the first dismissal takes place.

A meeting with the Trade Unions took place on 15 December 2004 once Council, on 14 December had agreed the budget headlines for 2005/06 for consultation. This was followed by briefings and meetings by Heads of Service with their staff and Trade Unions. Following the meeting of the Committee selection of staff within service areas will take place in line with the approach set out in Appendix C.

Following this process redundancy notices will be issued to those staff selected for redundancy which will give them either contractual or statutory notice, whichever is the greater. It is therefore expected that all notices will be effective by the end of April 2005.

Special meetings of the Corporate Joint Negotiation and Consultation Committee and Teaching JNCC are being held on 5 January 2005 and the outcome of the CJNCCs considerations will be reported to this meeting.

Members of the Committee will realise that this is a significant reduction programme across the Council and the effect of the redundancies will be managed in a number of ways.

1. A central database will be created of the 'at risk' staff, their skills and preferences to enable them to be matched with possible vacancies.
2. All vacancies will be offered first to staff 'at risk' of redundancy who will be given prior consideration for any post for which they may be suitable.
3. Agency staff numbers will be reviewed in order to identify possible matches between roles filled by agency staff and those 'at risk' of redundancy.
4. Potential volunteers will be sought to facilitate 'bump' redundancies whereby volunteers take the place of those 'at risk' of compulsory redundancy.

Earlier in the year, a significant number of redundancies were avoided through a variety of redeployment initiatives, the Human Resources Service engaging in regular consultation and work with the Trade Unions in order to avoid compulsory redundancy and promote redeployment. Recruitment controls put in place earlier in September last year have increased the number of vacancies available to provide alternative work for members of staff. The Head of Human Resources is reviewing the resources required to manage the exercise and if additional resources are required this will be addressed through the normal budget monitoring arrangements.

9 LIST OF BACKGROUND PAPERS

9.1 None

BS: JEL

BT: CM

London Borough of Barnet

Council

14 December 2004

2005-06 Draft Budget

	£m
2004/05 Council Tax Requirement	131.273
Efficiency savings (previously agreed by Cabinet)	(5.274)
Schools Budget (100% passporting target)	7.118
Pay Awards, Inflation & Full Year Effects	10.891
Budget Reductions	(5.912)
Budget Increases	11.391
	<hr/>
	149.488
Government Formula Grant (provisional settlement)	(13.531)
	<hr/>
2005/06 Council Tax Requirement	135.957
	<hr/>
Council Tax Increase	3.57%
<hr style="border-top: 1px dashed black;"/>	
Government Guideline Tax Increase	3.60%

Borough Solicitor

£

Budget Reductions

Registrars - Closure of Wood Street office - saving on premises costs	(21,000)
Registrars - Closure of Wood Street office - saving on staff costs	(50,000)
Electoral Registration - Advertising	(8,000)
Legal Services - Staff Reduction	(117,000)

Budget Increases

Base budget correction for Local Land Charges	500,000
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Borough Treasurer

£

Budget Reductions

Grant to Barnet Action 4 Youth - expires March 2004	(50,000)
Grant to Barnet Retired & Senior Volunteer Programme - expires March 2004.	(12,500)
Reduction in small grants to voluntary organisations.	(70,000)
Additional grant funding for Welfare Rights Unit	(18,560)
Assessments - eliminate one-off budget increase for introducing "Fairer Charging"	(10,000)
Cease services provided to the Probation Service (net of income lost)	(5,000)
Increase charge to Special Parking Account re cash collection	(75,000)
MCS efficiencies - deletion of posts within Accountancy, Cashbook & Income	(195,000)
Delete post in Student Finance	(25,000)
Delete 2 posts in Local Taxation	(35,000)
Delete post in Audit	(60,000)

Central Expenses

£

Budget Pressures

Prudential Borrowing	3,000,000
Concessionary Fares levy	548,000
North London Waste Authority levy	860,000
Coroners Court levy	110,000

Children & Families

£

Budget Reductions

Asylum seekers	(180,810)
ART - reduction in service	(120,000)
Further staff savings	(140,000)

Budget Increases

Emergency Duty team	60,000
Care leavers - increase in numbers	40,000
Youth Offending Service - provision of Appropriate Adult Scheme	36,000
Training Support Programme - transfer to FSS	369,000

Committee & Administration

£

Budget Reductions

Removal of Head of Service post and 1 manager post	(93,000)
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Budget Increases

Civil Defence grant now included within Formula Grant	84,000
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Community Care

£

Budget Reductions

Learning disability reprofiling	(200,000)
Age Concern - reduction from 3 to 2 centres	(50,000)
Restructure Management Team	(100,000)
Reinvestment Leys receipt	(220,000)

Budget Increases

Intermediate Care - prevention hospital delays (ex grant)	237,180
Age Concern (Anne Owen & FBL)	125,000
Transition cases (Learning Disabilities - children to adults)	880,000
Resettlement (Learning Disabilities - from hospital)	200,000
Community Support (Learning Disabilities)	550,000
Higher inflation and other pressures	1,174,000
Preserved Rights and Residential Allowances grant - transfer to FSS	2,000,000

Corporate Performance Office & Information Systems

£

Budget Reductions

IS - Telephony Infrastructure - reduced call rate charges	(20,000)
IS and CPO Admin reduction (1.5 posts)	(45,000)
CPO - Reduce Consultation Budgets	(30,000)
CPO - End all consultancy budgets	(40,000)
CPO - reduction of 1 post	(45,000)
IS - reduction of 1 post	(45,000)
IS - Hardware Maintenance saving	(30,000)
IS - Re-scope terms of contractual relationships	(195,000)
IS - Managed service saving due to new system	(150,000)
IS - Increase in income	(20,000)

Cricklewood & Strategic Development

£

Budget Reductions

Review sources of funding	(39,000)
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Customer Care

£

Budget Reductions

Restructure switchboard	(25,000)
Deletion of a sports development post	(28,000)
Reduce GLL management fee	(25,000)
Cease adult guidance support	(50,000)
Reduce library opening hours and re-designate posts	(226,000)
Nil inflation on Media Budget	(24,000)
Reduce mobile libraries by 1 vehicle	(96,500)
Reduction on media fund	(22,500)

Budget Increases

Base budget correction Leisure	250,000
Base budget correction South Friern Library	72,000
Building Cleaning contract	60,000

Education

£

Budget Reductions

Delete post of SEN tribunal officer	(25,000)
Recode 50% ELT post to grant	(36,000)
Charge part of Early Years advisory service to grant	(96,000)
Youth Service	(300,000)
Targeted support for schools causing concern	(44,000)
Capitalise consultancy for Primary capital strategy	(250,000)

Budget Increases

Passport Increase in Schools Block funding	7,118,000
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Environmental Services

£

Budget Reductions

Increase fees & charges above inflation	(20,000)
Barnet Homes - re-negotiation of grounds maintenance contract	(75,000)
SEN Transport efficiencies	(90,000)
Responsive Highways Maintenance - carriageways	(55,000)
Responsive Highways Maintenance - footways	(25,000)
Stores - organisational efficiencies	(30,000)
Noise Service - refocus to times of peak demand	(90,000)
Trade Waste - increased income	(25,000)
ECT recycling contract - productivity saving	(95,000)
Residential service - staffing reductions	(60,000)
Grounds maintenance - rationalisation of highways planting	(70,000)
School meals - increase charge to £2.00	(90,000)

Budget Increases

Tree work in parks and greenspaces	40,000
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Highways & Design

£

Budget Reductions

Parking - fees restructure	(450,000)
Building Control - net additional income	(60,000)
Highways - general increase in fees and charges	(180,000)

Housing

£

Budget Reductions

Community centres	(37,000)
Housing Initiatives	(39,200)

Budget Increases

Housing Benefits Team assessment officers	161,000
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Human Resources

£

Budget Reductions

Re-organise management of HR	(100,000)
Close Occupational Health Service	(80,000)
Charge Services for all Corporate run training courses	(50,000)
Revision of the advertising style - reduce information included	(50,000)

Planning

£

Budget Reductions

Increased income (national planning fees)	(15,000)
Reductions in Planning and Enforcement Posts	(109,000)

Budget Increases

Planning advice - loss of income	35,000
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Property & Valuation

£

Budget Reductions

Charging for property disposal packs	(2,000)
Charges for RTB/Home loss work	(13,000)
Charge HRA for work undertaken on Housing Association programme	(13,000)
Increased charges for Court of Protection work	(5,000)
Review of charges of costs against capital receipts for disposals	(10,000)

Public Offices

£

Budget Reductions

Full costs of Stag House to Barnet Homes	(51,000)
Reduction of budget for building maintenance	(6,000)
Barnet House	(120,000)

Strategic Directors

£

Budget Reductions

Principal Projects and Strategy Officer	(33,580)
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APPENDIX 1

Service Area	unit/comments	posts f.t.e.	staff reductions (nos)	comments
Borough Solicitors	Registrars	1	0	vacant post
	Registrars	0.5	1	
	Legal Services	3.5	0	1 temporary post 2 posts not being filled 1 job share not being filled
Borough Treasurers (part year savings)	accountancy cash book & income	12	12	these reductions will not take effect until half-way through 2005/06 as they are linked to the implementation of SAP depends on the outcome of a review of administrative services vacancies in this section vacant post
	administration	1	1	
	student finance	1	1	
	local taxation	2	2	
	audit manager	1	0	
Children's Services	Asylum Seekers	5	2	3 social workers to be re-deployed 3 vacancies, likely to re-deploy the DTM post 3 vacancies post vacant post vacant 6.5 equivalent vacancies & 2 new ringfenced posts
	ART reduction in service	4	1	
	staffing reductions-Curtis Centre	3	0	
	staffing reductions-Commissioning	1	0	
	staffing reductions - CAMHS	1	0	
	Efficiency Savings - team assistants	11.5	3	
Service Area	unit/comments	posts	staff reductions	comments

		f.t.e.	(nos)	
	Efficiency Savings - Resource Officer	1	0	post vacant
	Efficiency Savings - manual workers	4.5	0	vacancies and 1 post
Community Care	Restructure disability	10	2	to be redeployed 10 posts deleted, 8 posts created
Committee & Special Projects	Head of Service	1	1	
	Special Projects Officer	1	1	
CPO	admin posts	1.5	2	
	CPO officer post	1	1	
	IS post	1	1	
	MCS	1	1	
Customer Care	Switchboard	2	0	2 part time posts currently vacant
	Sports Development Officer	1	0	vacant post
	Reduce library opening hours & redesignate posts	12.5	13	
	Mobile libraries	2.5	3	
Education	SEN Tribunal Officer	1	0	vacant post
	Youth Service(30% of budget)	10	0	covered by temporary staff
Environment Services	Barnet Homes - grounds maintenance charges	3	3	dependent on whether Barnet Homes buys back the service
Service Area	unit/comments	posts f.t.e.	staff reductions (nos)	comments

	SEN transport	1	1	otherwise 3 posts will be lost)
	Responsive highways maintenance carriageways & footways	3	1	to be confirmed
	Stores	2	0	
	Residential Service	2	0	vacant posts
	Noise Service - refocus to times of peak demand	2.8	4	4 employees, 25 hours each
	Grounds maintenance - bedding plants - cease winter bedding	3	3	
Highways & Design	Part II of the 2004/5 budget reductions	8	8	
Human Resources	Management of HR	2	2	
	Efficiency Savings - Skills Training Unit	6	4	2 temporary posts
Planning	Enforcement posts	3	3	2 enforcement planners & 1 design & conservation post
Strategic Directors	Principal projects & strategy officer	1	1	
TOTAL staffing reductions		135.3	78	

LONDON BOROUGH OF BARNET**BUDGET REDUCTIONS 2005/6 – SELECTION CRITERIA****1. Introduction**

The purpose of this paper is to outline the procedures which will apply for selection for redundancy resulting from the 2005/6 Budget Reductions and Efficiency Savings for 2004/5 that have not yet been effected.

2. Scale and scope

- a. This exercise is assumed to result in the loss of approximately 70 members of staff across Council Departments and excluding schools. The exercise is assumed to aim at achieving the staff savings as soon as possible and in any case by 1 April 2005.
- b. The reductions are expected to affect identifiable groups of staff and specific individuals occupying unique posts.

3. Preliminary activities

- a. Before any redundancies of permanent staff are proposed the saving proposals will be scrutinised in conjunction with the Head of Service to identify the opportunities to achieve the necessary reductions either directly or indirectly by the termination of agency staff or those on fixed term or other temporary contracts.
- b. If sufficient reductions are not achieved through the measures in 3a management will invite volunteers from the affected groups for redundancy on compulsory terms. Selection of volunteers will be carried out by the Head of Service in conjunction with an HR Officer/Manager and will take into account the needs of the service, previous attendance and disciplinary records and cost of release to the Council.

4. Selection for compulsory redundancy

- a. Where the savings require the deletion of a specific group of staff as identified by reference to employment contracts then that group will be selected in its entirety for redundancy.
- b. Where there is a choice between employees, case law requires selection to be based on objective criteria. Subjective selection decisions, without objective evidence, have been found unfair by Employment Tribunals.

The criteria for this exercise are:-

i. Attendance records

Weighting will be given to the number of absences and the length of absences.

Exclusions from records (where clearly notified)

Maternity and paternity related absences

Industrial injuries

Work related stress

Disability related absence

One off longer term absences (e.g. broken leg) should be considered favourably if the underlying attendance record is satisfactory.

Weighting for attendance records will be:-
Each absence = 5 points
Each day of absence = 1 point
(e.g. one day sick is equal to 5 + 1 = 6 points)

ii. Disciplinary records for unexpired warnings.

Weightings will be:-
Final Written = 20 points
Written = 10 points
Oral = 5 points

Attendance and disciplinary records will be analysed for the previous 12 months with effect from the date of the HR1.

iii. Length of continuous service

Used as a final deciding criterion where the above have failed to select the requisite number of staff to be made redundant. Long service in local government and related employers counts higher than shorter service in local government.

- c. Where reductions are proposed within an identifiable group of staff, but with associated changes in job role or responsibilities such that the new jobs are significantly different to the previous ones then all the staff will be put at risk of redundancy and be entitled to apply in limited competition ('ring fenced interviews') amongst the existing post holders for the new jobs. Subject to consultation with the trade unions, in the event that there are fewer applicants than jobs available then management reserves the right to make offers of suitable alternative employment to staff which include the provision of trial periods in order to ensure the ongoing delivery of the service.
- d. Where a specific and unique post is deleted then the individual post holder will be regarded as selected for redundancy.

GUIDANCE FOR HEADS OF SERVICE

Measures to avoid compulsory redundancy

- a. Where staff are at risk of compulsory redundancy the Council will freeze the filling of posts which may offer the prospect of redeployment and give "at risk" staff first consideration for such vacancies.
- b. "At risk" staff will be appointed to vacancies where they are considered to meet the minimum requirements for the job in accordance with the provisions for trial periods.
- c. Where "at risk" staff have generic skills volunteers will be sought from associated areas in order to generate "secondary" or "bump redundancies". The decision on whether or not to accept such "bump redundancies" will lie with the Head of Service.
- d. Where staff are redeployed (temporarily or otherwise) into posts with a lower salary then the normal arrangements under the Managing Change procedure for salary protection will apply.

Measures to mitigate compulsory redundancy

- e. Where redundancies cannot be avoided the Council will consider the provision of outplacement services through a recognised provider to assist those displaced in obtaining employment outside the Council's service.

- f. Following consultation with the trade unions, where attempts at internal redeployment are viewed as unlikely to succeed, details of the groups of staff at risk of redundancy will be circulated to other London Boroughs via the ALG in order to promote alternative employment within other local authorities.
- g. The Council will notify staff made compulsorily redundant of further vacancies with the Council for a period of one month of their last day of service, any member of staff appointed to such a vacancy would be re-employed with recognition of their previous service.