

APPENDIX 2 – COLLECTIVE CONSULTATION PAPER

CONSULTATION PAPER

Proposed job reductions in the Council's directorates to meet the budget targets of 2014/15

SENIOR LEAD MANAGER:	Each affected director
SENIOR HR CONTACT:	Barry Shannon (supported by the HR Business Partners)
CONSULTATION COMMENCES:	24 th October 2013
PERIOD OF CONSULTATION:	30 days in accordance with s188 of the Trade Union & Labour Relations (Consolidation) Act 1992
CONSULTATION ENDS:	Dependent on specific service changes proposed

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1. Introduction

Under s188 of the Trade Union & Labour Relations (Consolidation) Act 1992 this document, together with the attached appendices commences formal consultation in accordance with this duty.

The purpose of this consultation paper is to provide information about the budget proposals and the consequent proposed headcount reductions so that there can be meaningful consultation about ways of

- avoiding the dismissals;
- reducing the numbers to be dismissed; and
- mitigating the consequences of the dismissals.

Comments from affected employees should be addressed to your HR Business Partner or for Trade Unions representatives to Barry Shannon as early as possible and at the latest by the close of formal consultation. Comments should be linked to the three bullets listed above. Meetings have been set up with the Trade Unions to discuss this consultation document.

Responses will be provided throughout the consultation period.

The source document for these Redundancy proposals is the Cabinet paper dated 4th November 2013 (appendix to the GFC paper dated 4th November). The detail of these budget proposals will be considered at the General Functions Committee and Cabinet meetings held on 4th November 2013

Where there are restructures required to deliver the savings then service specific consultation will also take place during the consultation period. Comments on these service specific consultations should be made to the relevant Delivery Unit Director.

2. Relevant Budget Period

The Cabinet paper sets out the budget proposal for the period 2014/15 and this staff consultation concerns the same budget period.

3. Reasons for the proposals

The detailed reasons for these proposals is set out in the Cabinet paper dated 4th November 2013 from which the following information has been taken :

9.1 Executive Summary

9.1.1 In March 2013, the Council agreed its MTFS, which set a three year budget for the period 2013/14 – 2015/16. This report re-affirms proposals for the years 2014/15 and 2015/16.

9.1.2 The total budget gap is £36.415m over the next 2 years (2014-16). The 2 year budget gap has been updated to reflect recent announcements and CSR 2013.

9.1.3 **Savings of £38.736m and pressures of £2.320m** have been identified to enable a balanced budget to be set. The two year budget position is set out in **Appendix A**, with pressures and savings included in **Appendix B**.

9.1.4 The budget proposals within this report are predicated on a **1% reduction** in council tax for 2014/15 and a council tax freeze for 2015/16.

Where as part of the budget saving there are changes to terms and conditions these will be set out in the service specific consultation information and will be consulted upon in parallel during the consultation period.

4. Numbers and descriptions of employees whom it is proposed to dismiss as redundant and current numbers of relevant employees

Within the cabinet paper the budget proposals and associated proposed redundancies are detailed by service area and then analysed by individual detailed savings proposals.

For each budget line which has a people impact detail has been collected about the related projected **FTE saving**. The table at Appendix 1 of the GFC report of 4th November also sets out the number of **employees at risk**. It should be noted that the at risk numbers for a particular budget line may be substantially higher than the projected FTE savings figures, this will occur where re-structures involve a wide team, albeit that only a limited FTE saving is required. However until the restructure consultation is complete there cannot be complete clarity about where any proposed headcount reductions might occur and hence a larger number of employees need to be placed at risk.

In accordance with statutory requirements the Secretary of State has been notified on the form HR1 that the likely distribution of potential redundancies is as follows:-

Occupational group	Total number of employees	Number of possible redundancies (At Risk)
Manual	713	0
Clerical	419	1
Professional	886	32
Managerial	182	1
Technical	0	0
Apprentices/Trainees	0	0
Under 18	0	0
Totals	2200	34

5. Proposed selection criteria to be used to select those who may be dismissed as redundant

All proposed redundancies

The Council as part of its governance process will use the Workforce Board to scrutinise and challenge redundancy costs to ensure that the Council's limited resources are used to best effect. It is proposed that all redundancies will be required to be presented to this committee for agreement.

Proposed redundancies where there is a selection pool

It is proposed that the cost of redundancy criteria is mandatory.

Cost of redundancy	Based on the total cost of redundancy as per estimates of benefit prepared as part of the redundancy process. Part time staff will have their total years service treated in the same way as full time staff but to mitigate against an imbalance in respect of relative cost of redundancy payments and pension, the actual cost should be rounded up to a full time equivalent.	High Cost 20 = in excess of 6 months salary excluding on costs Average cost 5 = 4-6 months salary exc on costs Low Cost 0 = less than 4 months salary
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Operation of the Cost of Redundancy Selection Criteria and tie breaks

It is proposed that where the selection criteria are used and where employees are equal on points after including the cost criteria, then cost criteria will be reapplied again as the tie break. The lowest scoring person on the cost criteria will then be selected for redundancy.

Where employees are then tied on points for the cost criteria it is proposed that the second tie break would be that the absolute lowest cost person would be selected for redundancy.

Other selection criteria

For selection pools it is proposed that in addition to the mandatory cost criteria that the criteria set out below may be used and it is proposed that the lowest scoring person will then be selected for redundancy. All selection criteria must be cost plus a further relevant selection criteria.

Criteria	Description	Points
Knowledge, skills and experience	Based on the person specification for the job role and business case for future service needs.	Full Match 20 points Part match 10 points No match 0 points
Qualifications	Based on essential and desirable qualifications or equivalent listed in the person specification for the new role. Less weight should be given to desirable qualifications. If no qualification is specified on the person specification maximum points should be given.	Full Match 20 points Part match 10 points No match 0 points
Absence	Based on the employee's recorded absence for each of the previous 2 years to date. Sickness absence does not include pregnancy related absence, disability related as defined by the Equality Act and Industrial injuries accepted by the Council's insurance section. Where an employee has less than 2 years service then actual sickness absence will be grossed up for occasions and days to as if they had 2 years service however the minimum number of points will be 4.	10 = no absence 7 = absence below trigger level 5 = meeting trigger point but informal action 1-4 = formal caution/warning 0 = final caution
Capability	Be based on procedures informal/formal that have commenced and been discussed fully with the employee in the past 2 years to date	10 = no action 7 = informal action 5 = first written warning 0 = final warning short of dismissal
Disciplinary record	Based on unexpired warnings	10 = highest (no disciplinary record) 7 = informal action 5 = first written warning 0 = final warning short of dismissal

It is further proposed that Directors and ADs in conjunction with HR Business Partners will decide for each budget cut where there is a pool:

- which of these other selection criteria should be used,
- any ordering or grouping of those criteria,

6. Proposed selection process

The budget proposals have been carefully designed to ensure that the Council retains the necessary skills and capabilities to deliver its services and as a consequence there will be no general voluntary redundancy process. The Managing Organisational Change policy is however focussed on maximising redeployment opportunities so that skills and capabilities are redeployed within the Council as far as possible.

The proposed savings will be broadly achieved either by stopping activities or by restructuring services. Restructuring will include a mix of stopping activities, reorganisation of activities and identification of efficiencies.

To reduce the numbers being dismissed there will be a variety of approaches including: deletion of vacant posts, displacement of agency workers and restructures. After this volunteers will be sought where there is a pool of staff at risk of redundancy. It is however envisaged that there will be a need for some compulsory redundancies,

Re-structures to deliver savings

Where the savings proposal is concerned with delivering savings through a mixture of stopping activities; re-organisation and efficiency savings then all relevant substantive employees will initially be at risk of redundancy however the Local Restructures - redeployment procedure will be applicable.

The detail of re-structures and the proposed 'to be' structures will be shared with relevant employees as part of the consultation process and subject to any views which are put forward it is proposed to implement any restructures prior to 31 March 2014.

Should at risk employees not be successful in gaining a role within the local restructure they will be able to participate in the Council wide Redeployment Procedure (see Annex 2 of this document) and early redeployment process.

If the employee at risk is unable to be redeployed across the Council then they will be made redundant.

It is proposed that these employees will be subject to the mandatory cost selection criteria: where the total cost of making an employee redundant is in excess of 6 months salary (excluding on-costs) then the service will be asked by the Workforce Board to reconsider whether the saving could be achieved in another way.

Selection Pool

A selection pool situation will arise where as part of local restructures for particular job/s there are more people at risk and who have claim on the role by virtue of the job being a Grade and 55% job match than there are available roles.

This situation is described in Managing Organisational Change Policy. In this situation volunteers will be sought and they will be assessed using the redundancy selection criteria. If necessary remaining employees will be selected for redundancy using the relevant redundancy selection criteria.

Should at risk employees not be successful in gaining a role within the local restructure they will be able to participate in the Council wide Redeployment Procedure and early redeployment process.

If the employee at risk is unable to be redeployed across the Council then they will be made redundant.

It is proposed that these employees will be subject to the mandatory cost selection criteria: where the total cost of making an employee redundant is in excess of 6 months salary (excluding on-costs) then the service will be asked by the redeployment committee to reconsider whether the saving could be achieved in another way. The affected employee will be told the outcome of the workforce board's decision.

Consolidation and cross Council Activities

Where the budget line is concerned with consolidating like activities which are currently spread across the Council then it is proposed that the assimilation process described in the Managing Organisational Change Policy, should apply across Delivery Units. The purpose of this proposal is to ensure that the maximum number of staff impacted by consolidation or cross Council activities are redeployed through assimilation.

Redeployment

An early redeployment process is available to employees who are at risk of redundancy.

If substantive employees who are not at risk wish to apply for roles they will need to wait until the redeployment process is complete. Casual and interim workers are not able to apply for roles until they are advertised externally.

Redeployment is only available until the end of the employee's notice period. Where employees are paid all or part of their notice, they will be eligible to remain on the redeployment register until such time that their notice would have expired had they worked their notice. Where they are redeployed to a role during the period for which they receive pay in lieu of notice then their redundancy payment will be withdrawn and if the payment has already been made they will have to repay their redundancy payment within 7 days of recommencing work at Barnet. Their service will continue as if there were no break in service.

Role of the Workforce Board

The Council as part of its governance process will use the Workforce Board as a redeployment committee to scrutinise all proposed redundancies to ensure that the Council's limited resources are used to best effect. Where the redundancy committee 'saves' an employee from redundancy who was selected from a pool then the scores from the selection process scoring must be revisited and the next lowest scoring person selected, using the proposed tie breaks as necessary. This ensures that the selection process continues to be applied consistently.

The Workforce Board will also challenge services to ensure that Agency workers are displaced wherever practical to 'save' an employee.

Right of appeal

Employees selected for redundancy will have the right to appeal if they feel that they have been unfairly selected (see Annex 1 of this document). Employees who wish to appeal should do so in writing to their Director within 5 working days of receipt of their redundancy decision letter, stating the grounds on which their appeal is based.

7. Proposed method of calculating the amount of any redundancy payments to be made

Compensation for redundancy will be calculated using the table at Annex A of Managing Organisational Change . This table provides the number of weeks pay that the employee will be entitled to on being made redundant

Having established the number of weeks compensation to be paid, perform the following calculation:-

Current substantive annual salary divided by 52.14, multiplied by number of weeks compensation = redundancy compensation

8. Individual Consultation

All affected staff will have one-to-one meetings with their manager, HR will not normally be in attendance.

It is good practise to allow employees to have a work colleague or Trade Union representative to accompany them however this is not a statutory right and meetings should not be unnecessarily delayed because colleagues or TU reps are not available. The companion's role is to support. The companion does not: have the right to answer questions on the employee's behalf; address the meeting if the employee does not wish it or prevent the manager from explaining the proposals.

These meetings will be minuted so that there is a record of matters discussed.

At the meeting the manager will share with the employee the reason why they are at risk of redundancy and if they do not already have it any detailed service specific restructure information including structure charts, role profiles and relevant grades.

9. Timescale for implementation

The proposed timeline is attached at Appendix 5.

Notice period

It is proposed that notice will be given after the consultation period has ended and assimilation processes are complete and that, wherever possible, this will be completed by 31 March 2014. This is to ensure that the full year effect of the savings are achieved before the start of the financial year 2014/15. If there were to be delay this would require further revenue savings in that financial year to achieve a balanced budget

The only exception to this is for staff who are employed on teachers' terms and conditions where there is an extended notice period.

Where possible, displaced staff will be asked to work their notice period but, if this is impossible due to the time constraints or would not be in the best interests of the individual and/or LBB, staff may be given pay in lieu of notice instead.

10. Mitigating the impact of these proposals

It is proposed that the savings will be achieved through a variety of approaches: deletion of vacant posts; displacement of agency workers; restructures; volunteers where there are pools of staff at risk of redundancy.

The Workforce Board will challenge services to ensure that Agency workers (see Annex 3 of this document) are displaced wherever practical to 'save' an employee.

Redeployment will be implemented in accordance with the Managing Organisational Change Policy, with Redeployment opened early to those employees at risk of redundancy.

Finally the Council will provide a series of employee support workshops.

Annex 1 – Appeal against selection for Redundancy

Appeal Against Selection for Redundancy

1. Employees dismissed by reason of redundancy must be given the opportunity to appeal their selection for redundancy.
2. **Appeals against selection for redundancy**

The following will apply in all cases:

- 2.1. If an employee wishes to appeal against selection for redundancy, a written notice of appeal must be received by the relevant Delivery Unit Director within five working days of the date of the employee being notified that he or she has been selected for dismissal on the grounds of redundancy.
- 2.2. Employees cannot appeal against:-
 - the rationale for the business decision which led to the redundancy
 - the method of selection
 - the selection criteria
- 2.3. Employees can appeal against:-
 - whether the selection process was applied fairly to them ;
 - the way the selection criteria were applied to them
- 2.4. Within ten working days of the date of the employee being notified that he or she has been selected for dismissal on the grounds of redundancy the employee will submit to their Director, copied to HR, their grounds for appeal which must relate to the points in para 2.3. Late submissions will not be accepted unless an extension of time has been agreed before the expiry of this time limit.
- 2.5. The redundancy selection will continue unless and until it is rejected on appeal.
- 2.6. Appeals against selection for redundancy will be heard by a senior manager, different to and at least the same grade as that of the manager who made the decision to dismiss, and will be nominated by the Director of the employee's service with support from HR. Where a Director has made the decision to dismiss an employee, the Chief Operating Officer or the Chief Executive will normally hear the appeal.

3. Procedure

- 3.1. The employee will be given reasonable written notice of the time and venue of the appeal meeting. The employee may be accompanied by a Trade Union Representative or LBB work colleague.

The companion's role is to support the employee. The companion should be allowed to address the hearing to put and sum up the employee's case, respond on behalf of the employee to any views expressed at the meeting and

confer with the employee during the hearing. The companion does not, however, have the right to answer questions on the employee's behalf, address the hearing if the employee does not wish it or prevent the employer from explaining their case.

- 3.2. The Council's representative (normally the manager who made the redundancy selection decision) will give the rationale for the selection of the individual for redundancy, this will be either in person or in writing. Where it is in writing the hearing manager will read the rationale out.
- 3.3. The employee will have the opportunity to ask questions of the evidence given by the Council's representative.
- 3.4. The employee will state his or her case either in person or in writing. Where it is in writing the hearing manager will read the rationale out.
- 3.5. The Council's representative will have the opportunity to ask questions of the employee.
- 3.6. The manager holding the appeal meeting will have the opportunity to ask questions of the Council's representative and the employee.
- 3.7. The Council's representative and the employee will have an opportunity to summarise their case if they so wish.
- 3.8. The manager holding the appeal meeting will announce the decision verbally where possible and the decision will be confirmed, in writing within five working days.

Following the appeal meeting, one of the following decisions may be taken:

- i) Appeal rejected - redundancy upheld
- ii) Appeal upheld - redundancy notification withdrawn

This decision cannot be the subject of a further appeal meeting.

- 3.9. The appeal papers will be retained on the employee's personal file.

Annex 2 – Early Redeployment

1. Introduction

In an effort to maximise redeployment opportunities and to ensure the most efficient use of the Council's financial resources it has been decided to put in place an immediate redeployment process which gives preference to at risk employees to find suitable alternative work.

2. What is suitable alternative work for redeployment purposes?

This is defined as a job as 2 scp higher than the top of an employee's current grade and 4 scp lower than the bottom of their current grade. This is termed a 'grade match'.

Therefore an employee with a role graded 22-25, suitable alternative work would be a job in the range 18-27.

3. Process

This will apply to all vacancies in agreed structures:

1. **Assimilation** – the available post will be assessed to determine whether anyone at risk in the team is available for assimilation. The BP will work with ADs and HoS to make this assessment. Where the post is still vacant after this stage then:
2. **Redeployment within the team** – the post will be offered to at risk people first within the team. Eligible employees will be those where the grade match is a suitable alternative role – see above. Where the post is still vacant after this stage then:
3. **Redeployment across the Council** - at risk and redeployees will be given preference for roles where there is a grade match – see above. Practically this means that the role will be advertised to all employees but that any at applicants who are 'at risk' or who are redeployees must be considered first by recruiting managers. This will be managed by HR with applicants who are not at risk or who are not redeployees having their applications held back by HR until the recruiting manager has reviewed and where appropriate interviewed at risk/ redeployees first. Where the post is still vacant after this stage then:
4. **Roles available for all Council employees (including Agency workers)** - this means that the recruiting manager will then be able to review those applications held back by HR – as set out in stage 3 above. At risk employees and redeployees who are applying as a promotion will also be considered at this stage Where the post is still vacant after this stage then:
5. **Advertise externally.**

4. Timescales

- All internal adverts will be for 7 days.
- Successful candidates must confirm within 7 days whether they wish to accept a job offer
- Where the redeployment is into a post that may come to an end after 31 March 2014 then the employee if not redeployed at that time would be made redundant with all of their continuous service but on the severance terms in place at that future date.

5. Trial Periods

All redeployees will be subject to a four week trial period. Should the redeployee's substantive post be confirmed as being deleted then the redeployee will receive a redundancy notice confirming that their substantive post has been deleted. This means that the redeployee will not be disadvantaged with regard to severance terms should, the trial period be unsuccessful.

Annex 3 – Agency Information

This information will be provided in three ways:

1. An Agency summary which shows Agency workers utilised across the Council
2. Number and list of Agency roles registered to Council through its MSP per Delivery Unit.
3. Number and a list of Agency roles sourced through other routes to the MSP per Delivery Unit

In order to assist those employees who find themselves either at risk or as a redeployee the Council will permanently advertise those roles which are established and filled by Agency workers and which are not in scope for deletion or which have an expected duration of greater than three months.