

Barnet Partnership Consultation Proposal – Pensions

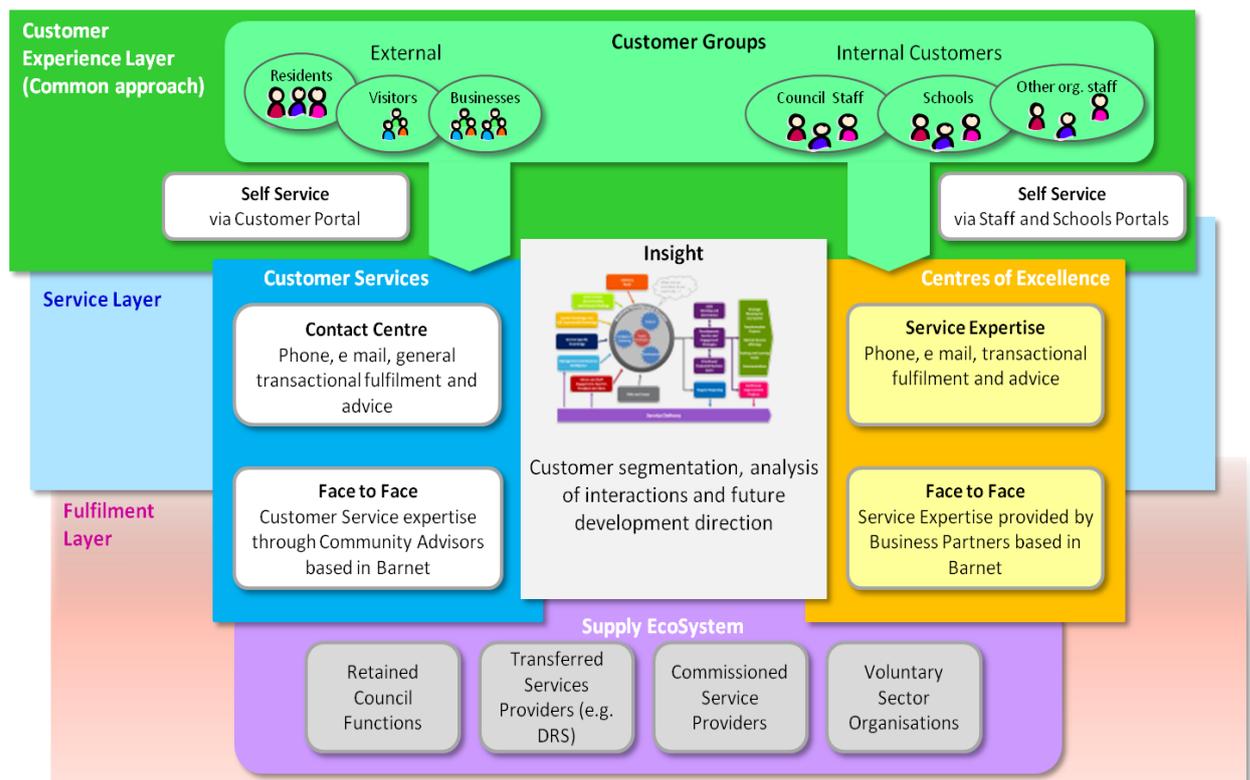
1. Service Commencement

The contract with Capita commenced on 1 September 2013, and 413 London Borough of Barnet employees TUPE transferred to Capita.

2. Background

Since January 2013, Capita have been in consultation with the council and unions on proposed measures to relocate work from Barnet to other Capita locations, and to reduce headcount. The proposed measures reflect a reduction in the operating cost of the services by at least 45% in real terms over the period of the partnership. This would save the council £126 million in the period 2013 to 2024. We based our early assumptions on data provided by the council at that time.

The proposed Target Operating Model (TOM) for all services is below.



Capita shared the proposed changes to services with employees at presentations during March 2013. This covered the service delivery model, timeline of activities, components of the solution including approach, design, technical, and delivery solutions.

Following further meetings with unions, Capita issued a final measures letter in August 2013. This detailed the final assumptions based on the Employee Liability Information (ELI) provided by Barnet council, as shown in the summary table below.

CAPITA

Service Area	Head Count at SCD Barnet	FTE SCD Barnet	Transformation Start Date	Transformation End Date	FTE to remain in Barnet	FTE to migrate outside of Barnet	FTE Reductions	Proposed Locations
Customer Services	61	55.54	Sep-13	Mar-16	19	37.7	6.8	Blackburn and Barnet
Revs and Bens	85	78.12	Oct-13	Jun-14	42.1	62.5	31.6	Blackburn, Bromley and Barnet
Finance	82	70.82	Sep-13	Sep-15	50.73	6.68	38.56	Swindon, Blackburn, Sheffield and Barnet
Information Systems	41	40.81	Sep-13	May-16	24.8	4	24	Chippenham, Weybridge and Barnet
ICT – Schools	8	8	Sep-13	May-16	As above	As above	As above	As Above
Estates	56	54.29	Jan-14	Mar-16	48.51	0	13.72	Barnet
Procurement	5	4.66	Sep-13	Jun-17	TBC	TBC	4	To be confirmed
Corporate Programmes	13	12.39	N/A	N/A	20.9	0	0	Barnet
HR & Payroll	48	44.87	Oct-13	Apr-14	10.5	28.6	18.93	Belfast, Carlisle and Barnet
HR & Payroll (Pensions)	11	10.76	Sep-13	Feb-14	0	7.75	5.01	Darlington, Banstead and Sheffield
Health Safety and Wellbeing	2	2	Sep-13	Mar-14	1.3	0	2.7	Southampton and Barnet

3. The HR Pensions Administration and Pensions Payroll Solution

To deliver the new Target Operating Model (TOM) within the HR (Pensions) Solution, a number of new elements will be introduced and delivered. They include the following:

- Introduction of the HartLink integrated system,
- Utilisation of Capita's existing LGPS Centre of Excellence
- Proven LGPS operating model and track record
- Cradle-to-grave approach for all administration staff
- Utilisation of Payroll and accounts centre of Excellence
- Senior Consultant lead investment monitoring
- Monthly mortality screening for all pensioners
- Strong Reporting Framework
- ISO approved work Instructions
- Accuracy Monitoring

4. Proposed Headcount Reductions and Relocation

As a result of these proposed operational changes and the introduction of new technologies within the new TOM outlined above, it is now necessary to embark on a transformation programme that will include proposals to relocate services to centres of excellence in Darlington and Sheffield and proposed reductions in Headcount. It is proposed there will be specialist services that remain in Barnet and further details have been provided below.

There may potentially be voluntary and compulsory redundancies due to the proposals, so we intend to enter into a period of consultation.

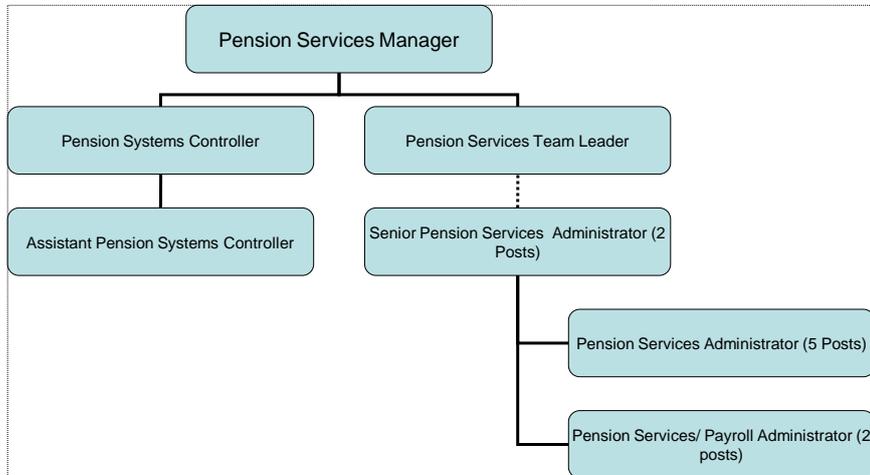
The table below shows the proposed headcount reductions and relocation, as shown in the measures letters provided at regular intervals to the council, GMB and Unison.

Details of the categories of employees affected by the changes, as follows:

Service Area	Role Title	Location	Current Headcount	Current FTE	FTE to remain in Barnet	Roles to migrate outside Barnet	Role Reductions	Reason for Reduction	Proposed Locations
Pensions & Payroll	(HRPN) Senior Pension Services Administrator - HR054	Barnet	1	1	0	1	1	Relocation	Darlington, Sheffield or Banstead
Pensions & Payroll	(HRPN) Pension Services Manager - HR036	Barnet	1	1	0	1	0	Relocation	Darlington, Sheffield or Banstead
Pensions & Payroll	(HRPN) Pensions Services Administrator - HR038	Barnet	1	1	0	1	0	Relocation	Darlington, Sheffield or Banstead
Pensions & Payroll	(HRPN) Pension Services Team Leader - HR040	Barnet	1	1	0	0	1	Relocation	Darlington, Sheffield or Banstead
Pensions & Payroll	(HRPN) Pensions Services Payroll Administrator - HR046	Barnet	1	1	0	1	0	Relocation	Darlington, Sheffield or Banstead
Pensions & Payroll	(HRPN) Pensions Services Administrator - HR067	Barnet	3	2.76	0	0	0	Relocation	Darlington, Sheffield or Banstead
Totals			13	12.76	0	0	6	Relocaiton	

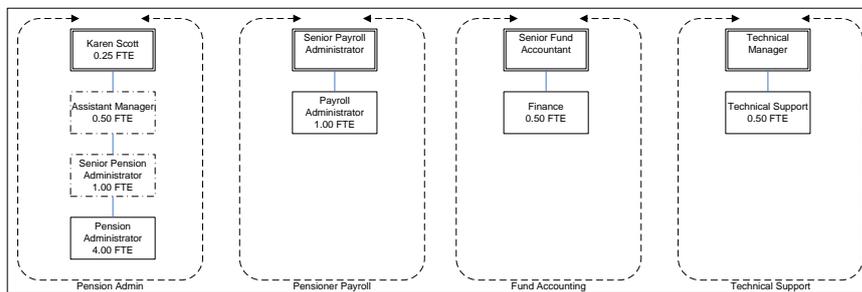
5. Structure Charts

6. Below is how the HR Pension team is currently structured



Below is how the structure of HR Pension Team will exist post consultation:

Proposed New structure



7. Mitigation of Redundancies

We are taking steps to reduce costs in other areas of our cost base to mitigate the need to reduce our headcount wherever possible. Some areas we will review to minimise the impact of redundancies include:

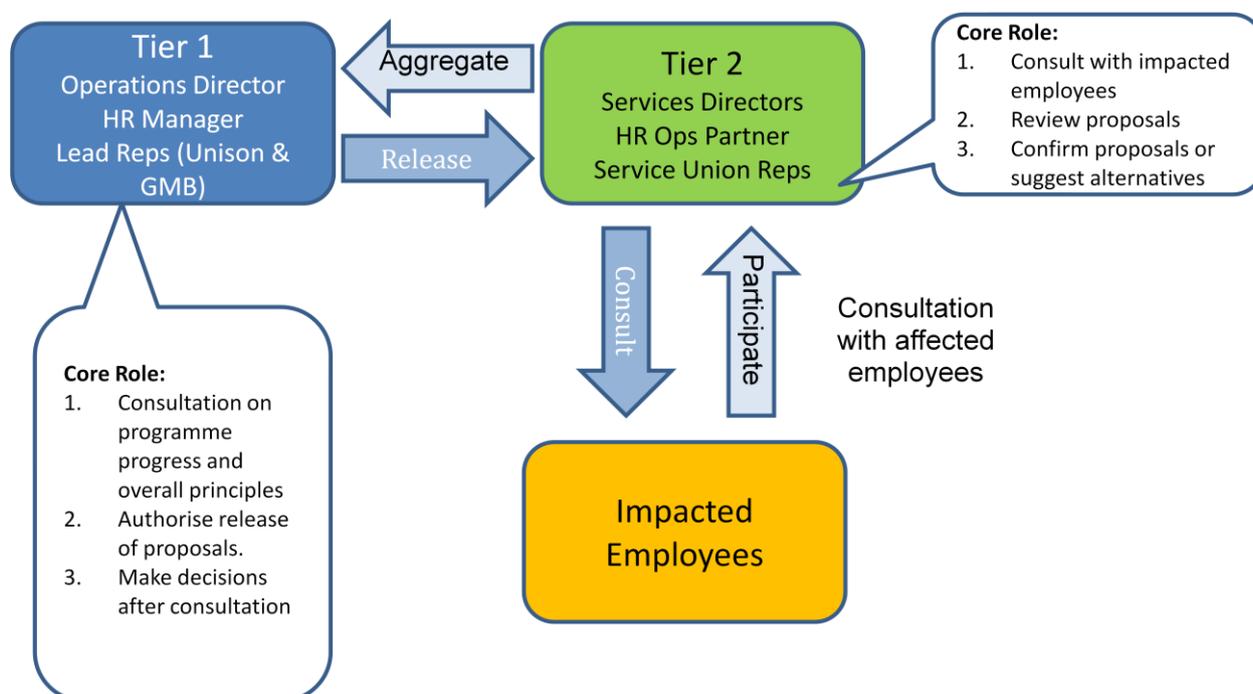
- Releasing temporary and agency staff where possible.
- Exploring alternative options to deliver the services while still meeting the council's requirements and performance measures.
- Looking at redeployment opportunities in London Borough of Barnet contracts and across Capita.

8. Consultation Approach

Capita will consult with recognised Trade Unions (Unison and GMB) on behalf of the affected employees.

Consultation Governance

It is proposed consultation is on two tier structure, as shown below:



Below is a list of the individuals who will be leading the consultation processes:

<i>Project Team –</i>
Tier One Team:
Anna Earnshaw (AE)
Kelly Hall (KH)
Adrian McShane-Chapman (AMC)

Tier Two Team:
Kenny McDermott (KM)
Karen Scott (KS)
Adrian McShane-Chapman

Below is a timetable of activities that will be performed during the process, and by when each element of the consultation process will be completed.

Timetable of Key Activities

Time Scale	Activity	Owner
Prior to DAY 1	Tier 1 Consultation team - Meeting with Unions to advise position and discuss approach to consultation for Transformation – 2 Tier approach. If applying selection criteria discuss and agree approach to selection for restructure and redundancy. Discuss and agree process of seeking redeployment.	AE, KH, AMC
	Brief managers and assess immediate training areas i.e. at risk 121s.	AMC
	Write announcement – includes business rationale, numbers and types of employees.	KM, KS, AMC
	Finalise content of at risk letter, scripts, and presentations.	KS, AMC
	Make arrangements for where the announcement will take place, other comms arrangements i.e. Q&A email	AMC, KS Comms
	Prepare at risk packs and include suggested selection criteria, new roles if applicable, timetable of events and Q&A.	AMC, Admin
	Notify BIS to advise of programme (HR1).	AMC, KH,

		AE, Comms
Announcement Day – TBC (DAY 1)	Announcement and briefing to all employees, placed at risk of redundancy including issuing at risk packs, contact absent employees.	AMC, KM, KS
	Issue announcement to wider Barnet partnership and retained council.	Comms
	Tier 2 consultation group - Meeting with Unison and GMB reps. Provide consultation document and timescales to reps and agree selection criteria if required. Discuss relocation proposals, suggested redundancy selection criteria, consider avoidance of redundancies.	KM, KS, AMC
	Formally write to Unison and GMB to advise of programme with copy of HR1	AMC, KH, AE, Comms
w/c Week 1 & Week 2	If applicable advise of new positions available to apply for – give brief details and outline of timescales.	AMC, KM, KS
	If selection agreed with Unison/GMB then apply the criteria and calculate redundancy payments and request pension figures. If selection criteria not agreed then continue discussions with Unison/GMB until agreement sought If no selection, discuss proposals for site relocation, suitable alternative employment & redeployment.	Ops
	Request applications or expressions of interest in any new positions	AMC, KM, KS
	Q&A sessions for managers who will carry out 121s	AMC, Pensions
w/c Week 2 and Week 3	Prepare redundancy calculations for all at risk if selection/relocation agreed.	Ops, AMC
	Complete 121s for those people at risk to include Preference exercise (redundancy, redeployment). Discuss potential redundancy figures / career aspirations / request CVs to Group HR for circulation	KS, AMC
	If selection criteria, agree selection criteria and apply – for redundancy and redeployment	KS, KM, AMC
	Review Q&A	Comms, Ops, AMC
Week 4	Tier 2 - Weekly consultation meetings with Unison and GMB – hold 2 nd Meeting	AE, KH, AMC

	Start sifting and selecting applications for any new positions	KM, KS, AMC
Week 5, 6 & 7	Complete site information packs – applicable for relocations (to cover local information and site visits approach)	KM, KS, AMC
	Tier 1 Consultation review and update with Unison and GMB	KM, KS, AMC
Week 8 -11	Send out interview request letters for new positions and carry out interviews for same.	AE, KH, AMC
	Tier 2 – Weekly consultation meeting with appointed representatives – hold 3 rd meeting	AMC, KS
	Identify successful and non-successful applicants for new jobs , or selection for redundancy including calibration of scores if needed, subject to appeals from non-successful applicants. Prepare and issue appropriate documentation	AMC, K, M, KS
Week 12	Tier 2 - Weekly consultation meetings with appointed Representatives – hold 4 th & 5 th	AE. KH, A, M, C
	Confirm appointments for those selected to new roles once the appeals process has been completed. Decide Start Dates for New Roles.	KM, KS, AMc
	Finalise and despatch redundancy notices Notice periods commence today.	KS, AMC
	Complete appeals process	KM, A, M, C,
Week 13 - 14	Send redundancy payment data to Payroll on the date each individual or groups of individuals leave.	TBC
	Ongoing issuing of notice for phased exits	TBC
	Ongoing support for redeployment	
Week 14 plus	Ongoing issuing of data to payroll	TBC

9. Selection Criteria

Where it has not been possible to avoid redundancies, we will use criteria defined to allow the objective selection of employees.

The proposed selection criteria is primarily based on a matrix that considers knowledge, skills and experience, absence, disciplinary record, and cost of redundancy. Illustrative criteria and details of the scoring criteria can be found in Appendix 1.

10. Suitable Alternative Roles and Redeployment

The jointly agreed Principles of Suitable Alternative Employment and Redeployment (SAE) (v4) will apply. Capita recognises that during the proposed transformation programmes some employees will be affected by circumstances that may mean a change of job. The SAE recognises this and the principles outlined will be followed, these can be found in Appendix 2.

All employees will be provided with a redeployment pack with detailed advice and guidance on looking for alternative employment. All employees will also have access to Capita Group vacancies via the Extranet and also have access to TalentConnect.

11. Relocation

The Pensions proposals include the relocation of the majority of services to Centres of Excellence located in Darlington and Blackburn,.

For Roles identified in scope to relocate, Capita do not consider the proposed locations as suitable alternative locations to the employee's current work location and therefore any preference to relocate with the service will be discussed on an individual basis.

For employees that may wish to explore the possibilities of relocation Capita will support by discussing with them the potential for site visits and provide information packs for proposed new site locations.

12. Preferencing Exercise

It is proposed that all employees will be invited to a one-to-one meeting at early stages of the consultation process to discuss their individual preferences; this will include requests for voluntary redundancy, redeployment to alternative roles including relocation, and discussions on career aspirations.

The decision to award voluntary redundancy or individual preferences outside of the formal consultation process will be at the business absolute discretion and will include consideration of, amongst other thing, financial and organisational issues.

13. Home working

The nature of the service being provided means that home working as an option to mitigate potential redundancy is not a viable option. The primary reason for this is that access to the required systems will be based at our centres of excellence in Darlington, Sheffield or Banstead because of security protocols that are in place to ensure client data is not compromised.

14. Redundancy Payment & Calculations

Employees will receive redundancy pay as per their individual contractual terms and conditions of employment.

For London Borough of Barnet TUPE employees, the Council redundancy terms transferred will apply, which are:

Week's pay (Annual pensionable salary / 52.14) multiply by the requisite number of weeks as set out in the statutory redundancy pay table.

APPENDIX 1 - Proposed Redundancy Selection

Criteria	Description	Points
Knowledge, skills and experience	Based on knowledge, Skills and Experience. Assessment based on competency based interviewing.	Full Match 20 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 10 points No Match 0 points
Absence	Based on the employee's recorded absence for each of the previous 3 years to date. Sickness absence does not include pregnancy related absence, disability related as defined by the Disability Discrimination Act and Industrial injuries accepted by the Council's insurance section.	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 3 years to date	10 = no action 7 = informal action 5 = first written warning 0 = final warning short of dismissal
Disciplinary record	Based on information past 3 years to date.	10 = highest (no disciplinary record) 7 = informal action 5 = first written warning 0 = final warning short of dismissal
Cost of redundancy	Based on the 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 in balance 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 points Low Cost 0 points

APPENDIX 2 - SAE

Principles of Suitable Alternative Employment and Redeployment

Capita recognises that during the proposed transition and transformation programmes, some employees will be affected by circumstances that may mean a change of job. Where this is the case, Capita will apply the following principles:

Situation <i>Example only</i>	Terms and Conditions to apply
1. Re-Deployment into a Suitable alternative role (no change job stay's in Barnet)	<ul style="list-style-type: none"> • Barnet contractual TUPE Terms & Conditions • *Barnet Pension (ABS) • Policies and Procedure applicable to Capita/LBB contract (T&C Matrix)
2. Re-Deployment into a Suitable Alternative role (covering some or all of Barnet work) in Capita Local Government contracts	<ul style="list-style-type: none"> • Barnet contractual TUPE Terms & Conditions • *Barnet Pension (ABS) • Policies and Procedure applicable to Capita/LBB contract (T&C Matrix)
3. Re-Deployment into an Alternative role within Barnet, working on Barnet work (& no increase in salary or responsibilities)	<ul style="list-style-type: none"> • Barnet contractual TUPE Terms and Conditions • *Barnet Pension (ABS) • Policies and Procedure applicable to Capita/LBB contract (T&C Matrix)
4. Re-deployment into an Alternative role within Capita Local Government contracts	<ul style="list-style-type: none"> • Capita Terms & Conditions • Capita Pension if not working on Barnet work • Barnet ABS if doing alternative role on Barnet work • Capita Policies and procedures at point of moving to new role
5. Redeployment into an Alternative role within Capita	<ul style="list-style-type: none"> • Capita Terms & Conditions • Capita Pension • Capita Policies and procedures at point of moving to new role

Suitable alternative employment:

Capita considers a Job to be a suitable alternative if the new Job has the same or very similar:

- Content and responsibilities
- Status
- Salary / Remuneration Package
- Reasonable travelling distance
- Required Knowledge, Skills, Experience and Qualification (if required)

The above situations are *examples* that cover a variety of mitigating routes that might apply for individuals who are displaced. This principle provides an optimum number of opportunities for an individual to avoid being made redundant. Each scenario has different implications and a different level of discretion that the employee has to exercise depending on their preferences and personal circumstances.

Capita will offer the employee a trial period of at least four weeks in their new suitable alternative job. Where training is required, the trial period may be extended by mutual agreement. Should either party decide that the trial period is unsuccessful; the employee may be made redundant, on their transferred redundancy terms. Where the trial period is successful the employee will be confirmed in the job with the associated terms and conditions.

Employees who unreasonably refuse an offer of suitable alternative employment may lose any entitlement to redundancy pay. Unreasonable refusal may apply where the differences between the new and the old job are negligible, or where an employee assumes rather than investigates the change that a new job might involve, for example, travelling time or working conditions.

Capita will facilitate employees to explore via extranet the widest available opportunities of suitable alternative employment in order to mitigate a redundancy risk.

Alternative employment:

We recognized that employees within Barnet may have other transferrable skills and experience from their past work history and may want to also look at ways to mitigate redundancy by reviewing wider opportunities within the larger Capita Organisation which may not be suitable alternatives to their Barnet roles.

Where an employee has been successful in applying and being offered an alternative role i.e. one that is not deemed to be a suitable alternative, there will be a trial period of a minimum of 4 weeks. Should either party decide that the trial period is unsuccessful the employee may be made redundant, on their transferred redundancy terms. Should the trial period be successful the employee will be confirmed in the role on the terms and conditions associated with that role.

Reasonable travelling distance:

Capita will determine this on a case-by-case basis, acknowledging that individual circumstances will be different. The following will be used to inform a decision on whether the distance to be travelled as a result of relocation is reasonable:

- Mode of transportation
- Length and type of journey
- Dependant arrangements (e.g. childcare, elderly parents)
- Working patterns

The above is not an exhaustive list, but are the key factors taken into account when assessing the reasonableness of a different commute and an individual's circumstances.

Condition of London Borough of Barnet Pension:

- As part of the admitted body status agreement that we have engaged in with LBB, in order for an employee to remain in the LBB pension and employee must carry out some Barnet work in their role. If for any reason the criteria are not met, the individual's pension will be deferred and they will be offered Capita's money purchase scheme.