

## Human Resources Budget Options

<b>Reference:</b>	HR1
<b>Budget theme(s):</b>	Driving Organisational Efficiency
<b>Service(s):</b>	Human Resources
<b>Lead Member(s):</b>	Cllr Michael Pavey

<b>Proposals:</b>	<ul style="list-style-type: none"> <li>• <i>To restructure the HR service</i></li> </ul>
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<b>2014/15</b>	
<b>Total budget for the service(s):</b>	<b>£3,700,000</b>
<b>Total post numbers in the services(s) (FTE):</b>	<b>60</b>

	<b>2015/16</b>	<b>2016/17 Additional</b>	<b>Future years Additional</b>
	£'000	£'000	£'000
<b>Proposed saving:</b>	696	743	0
<b>Proposed staffing reduction (FTE)</b>	12	14	

### Proposed savings

#### Year 1

- *It is proposed to carry out a reconfiguration of the HR service in order to reduce the number of management and other officer level posts within the structure. This included the deletion of an HR Manager position, along with deleting the posts of HR Contracts Manager and Recruitment Manager. This will happen in year 1. This will result in the merging some areas in order to reduce the number of managers required in the new structure. It will also result in the deletion of the Learning and Development function. It is the intention to devolve responsibility for some existing activities undertaken by the Learning and Development team across the remainder of the service. Other activities will be accommodated by a new team with a broader remit which will include resourcing, workforce development, policy and projects. There will also be some staff reductions across the service as a result of reconfigurations. Saving £569,000.*
- *It is proposed to cap the existing trade union facilities time allocation awarded to GMB and Unison to a maximum of 1 x PO1 post per trade union. This will result in a small saving in Year 1.*

- Savings of £60,000 will be achieved by moving the occupational health service in-house.
- The learning and development budget will be reduced by £67,000.
- These proposals achieve 18%.

## Year 2

- In year 2 further reductions in staffing can be potentially achieved through shared service arrangements within payroll, pensions, HR management information and recruitment. The exact model is still to be developed and in part will be dependent on Brent's bid to lead on the Oracle transactional shared service and following further exploration of other shared service and outsourcing arrangements. If this is not successful there will be further downsizing of staff numbers in all areas of HR.
- The role of recruitment will be reviewed during year 1 to determine reduced spend in this area which may result in some further self service for managers but it is no longer recommended to devolve the recruitment activity to the business.
- It will be necessary to reduce further, in year 2 the number of employee relations officers in line with the shrinking size of the workforce although it is recommended that this is delayed until year 3 in order that we have an inhouse resource to assist in the large number of restructurings anticipated in years 1 & 2.
- The provision of HR services to schools will need to be reviewed and streamlined if it is decided to continue to offer this service.
- In order to achieve a 40% reduction it is proposed to delete the corporate advertising budget of £145,000. It is currently accessed on a first come first serve basis and when it is spent depts. will fund advertising costs in any event so there is not currently an equitable allocation. It is also anticipated that the recruitment activity will slow down.
- Reduction in systems costs within HR following the implementation of One Oracle.
- These proposals in Year 2 will result in a budget reduction of 22%
- Over the two years the above saving proposals will generate a budget reduction of 40%.

## How would this affect users of this service?

- The restructuring of HR in year one will result in a more streamlined service with reduced resources although it is not considered this will have a detrimental effect on users and in some areas performance should improve.
- Year 2 savings are more problematic on two fronts. Now the decision has been made not to devolve the recruitment activity further savings will need to be achieved from elsewhere within HR which could have a significant impact in the employment relations resource within the team we will be left with which will mean managers will need to take greater accountability for managing their staffing issues.
- It is anticipated that a shared service model will not result in a deterioration in terms of the quality of the transactional service provision.

### **Key milestones**

- *In order to achieve a full year saving in year 1 it will be necessary to have the new structure in place by 1 April 2015. Consultation on Year 1 proposals are underway.*
- *During year 1 work will be undertaken in respect of service redesign, engaging users and ensuring they have the appropriate skills to undertake more HR related work themselves.*
- *Reviewing shared service options during 2015.*

### **Key consultations**

- *Headteachers*
- *Staff*
- *HRIG*
- *Trade unions*
- *Oracle board or equivalent*
- *Finance, ICT and procurement colleagues internally and externally in respect of shared services.*

### **Key risks and mitigations**

- *There is an increased chance of litigation if managers do not adhere to HR policies and procedures. This will have implications on legal support internally and on costly employment tribunals. A central infrastructure to support staff will still therefore be required and has been provided for.*
- *Shared service models are dependent on the cooperation of other London Boroughs operating within the same timescales as Brent. Proposing to be the lead borough will mitigate this to some extent.*

### **Equality impact screening**

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	Yes/No
Disabled people	No
Particular ethnic groups	Yes as majority of HR staff are BME
Men or Women (include impacts due to pregnancy/maternity)	Yes as majority of HR staff are female
People of particular sexual orientation/s	No
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	No
People in particular age groups	No
Groups with particular faiths/beliefs	Yes as

	above
Marriage / civil partnership	No

*If the screening has identified a potentially disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:*

EIA required?:	Yes
EIA to be completed by:	EIA to be undertaken when restructuring proposals for year 1 are developed during December 2014. Further EIA to be undertaken when proposals for shared service model are determined during year 1.
Deadline:	<i>31 January 2015 &amp; no later than 31 March 2016</i>

Lead officer for this proposal:	Cara Davani
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## Budget options Information

<b>Reference:</b>	HR2
<b>Budget theme(s):</b>	Driving Organisational Efficiency
<b>Service(s):</b>	BiBs
<b>Lead Member(s):</b>	Cllr Michael Pavey

<b>Proposals:</b>	<ul style="list-style-type: none"> <li>• <i>Fundamental review of the business support function</i></li> </ul>
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<b>2014/15</b>	
<b>Total budget for the service(s):</b>	<b>£4,700,000</b>
<b>Total post numbers in the services(s) (FTE):</b>	<b>136</b>

	<b>2015/16</b>	<b>2016/17</b>	<b>Future years Additional</b>
	£'000	£'000	£'000
<b>Proposed saving:</b>	700	1,180	0
<b>Proposed staffing reduction (FTE)</b>	19	34	TBA

### Proposed savings

- *Whilst it was the initial intention to commission a review of the support function with an aim to reducing costs by 20% in line with reduction in front line services (20% being the realistic figure for reducing the service by) and the options for a 40% reduction in budget in this area, it is now clear that the 40% target will need to be achieved over a two year period. This will have a significant impact on staffing as the budget is predominantly made up of staffing costs. It remains the intention to consider alternative models of delivery which will transform the service; ensure greater efficiency and improve the customer experience but in the short term an immediate reduction in posts will enable BBS to generate savings in Year 1. This will be achieved through reviewing the Executive Assistant arrangements in light of the senior manager restructuring; ceasing the provision of some administration activities such as AskHR & AskBBS; and carrying out a cross service reduction in headcount. This is part will be assisted by reductions in service provision across the council's departments.*

### How would this affect users of this service?

- *To achieve a 40% reduction will result in a loss of over 50 business support officers (most of whom are BME women) which will have a significant impact on the administration support offered to managers, who will be expected to “self serve” to a much greater extent. A decision will need to be reached in respect of the extent to which improved systems and processes can streamline the administration work undertaken against the potential additional burden we will place on managers and whether this is ultimately cost effective. It is anticipated that a 20% reduction can be achieved with performance improvement in Year 1.*

**Key milestones**

- *Initially restructuring of BIBS team (reducing staff numbers by 19) to be compiled by November 2014 with consultation completed by the end December 2014. Selection processes will be carried out during January 2015. Staff subject to redundancy will be served notice no later than the end of January with an end date of 31 March 2015 (which may incorporate some element of pay in lieu of notice in order to achieve a full year of savings for 2015/16).*
- *During 2015 a review will be undertaken of the work of BIBS in preparation for a further downsizing exercise (reducing staff numbers by a further 34) which will come into effect on 1 April 2016.*

**Key consultations**

- *CMT & Directors*
- *ICT*
- *Managers*
- *Affected Staff*

**Key risks and mitigations**

- *Are there any key risks which could arise from delivering this savings, or which could impact on the deliverability of the saving proposed?*

*If the budget reduction is at the level of 40% and frontline services are only reduced by 20% this will require a significant transformation which may or may not be achievable if we are to provide the same or an improved level of service. It is therefore inevitable that there will be a need for managers to take on more administrative responsibilities themselves.*

**Equality impact screening**

Is there potential for the proposed saving to have a disproportionate adverse impact on any of the following groups:	
	Yes/No
Disabled people	No
Particular ethnic groups	Yes as the majority of staff in this area are BME
Men or Women (include impacts due to pregnancy/maternity)	Yes as the majority of

	staff in this area are women
People of particular sexual orientation/s	No
People who are proposing to undergo, are undergoing or have undergone a process or part of a process of gender reassignment	No
People in particular age groups	No
Groups with particular faiths/beliefs	Yes
Marriage / civil partnership	No

*If the screening has identified a potentially disproportionate adverse impact, you will need to complete an Equality Impact Assessment. This assessment form and the guidance for its completion can be found at:*

EIA required?:	Yes
EIA to be completed by:	31 January in line with review recommendations And again by 30 November 2015
Deadline:	31 January 2015/30 Nov 2015

Lead officer for this proposal:	Cara Davani
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