



---

## General Purposes Committee

---

MONDAY, 29TH MARCH, 2010 at 19:00 HRS - THE CIVIC CENTRE, HIGH ROAD,  
WOOD GREEN, LONDON N22 8LE.

MEMBERS: Councillors Meehan (Chair), Griffith (Vice-Chair), Aitken, Alexander,  
Bloch, Bull, Khan and Whyte

### AGENDA

**1. APOLOGIES FOR ABSENCE (IF ANY)**

**2. URGENT BUSINESS**

The Chair will consider the admission of any of any late items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at items 12 & 15 below).

**3. DECLARATIONS OF INTEREST**

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

**4. DEPUTATIONS/PETITIONS**

To consider any requests received in accordance with Part 4, Section B, paragraph 29 of the Council's constitution.

**5. MINUTES (PAGES 1 - 6)**

To confirm the minutes of the meeting held on 12<sup>th</sup> January 2010.

**6. REDEPLOYMENT AND RESTRUCTURE POLICY UPDATE (PAGES 7 - 30)**

To consider a report on changes to the Redeployment Policy and to the Restructure Policy.

**7. REVIEW OF DEPENDANT'S ALLOWANCE (PAGES 31 - 34)**

To consider the report on increasing the dependant's allowance for attendance by employees at evening meetings.

**8. RECRUITMENT POLICY UPDATE (PAGES 35 - 50)**

To approve the updated Recruitment Policy.

**9. STREET DRINKING/CONTROLLED ZONE (PAGES 51 - 58)**

To consider the report on a proposed extension of street drinking controls.

**10. TREASURY MANAGEMENT – 4TH QUARTER & FULL YEAR REVIEW (PAGES 59 - 68)**

To receive the Treasury Management report – 4<sup>th</sup> Quarter and Full Year Review.

**11. AGREEING ACCOUNTING POLICIES (PAGES 69 - 80)**

To approve amendments to the accounting policies for the closure of the Council's accounts for 2009/10.

**12. NEW ITEMS OF URGENT BUSINESS**

To consider any items admitted at item 2 above

**13. EXCLUSION OF THE PRESS & PUBLIC**

The following items are likely to be subject of a motion to exclude the press and public from the meeting as they contain exempt information as defined in Section 100a of the Local Government Act 1972 paragraphs 1 and 2 - namely information relating to an individual, and information which is likely to reveal the identity of an individual.

**14. MINUTES OF GENERAL PURPOSES COMMITTEE SUB-BODIES (PAGES 81 - 114)**

i. Minutes of the Council and Employee Joint Consultative Committee (CEJCC):

30<sup>th</sup> June 2009  
6<sup>th</sup> October 2009

ii. Minutes of Staff Dismissal and Disciplinary Appeals and Grievance Hearings :

23<sup>rd</sup> April 2009  
2<sup>nd</sup>, 3<sup>rd</sup> & 10<sup>th</sup> July 2009  
16<sup>th</sup> July 2009  
1<sup>st</sup> September 2009  
28<sup>th</sup> September 2009  
8<sup>th</sup> October 2009  
15<sup>th</sup> October 2009  
16<sup>th</sup> & 19<sup>th</sup> October 2009 & 1<sup>st</sup> February 2010  
20<sup>th</sup> October 2010  
14<sup>th</sup> December 2010  
4<sup>th</sup> February 2010  
15<sup>th</sup> February 2010

**15. NEW ITEMS OF EXEMPT URGENT BUSINESS**

Ken Pryor  
Deputy Head of Local Democracy and  
Member Services  
5<sup>th</sup> Floor  
River Park House  
225 High Road  
Wood Green  
London N22 8HQ

Natalie Cole  
Principal Support Officer (Council)  
Tel No: 020 8489 2919  
Fax No: 0208 489 2660  
Email: [natalie.cole@haringey.gov.uk](mailto:natalie.cole@haringey.gov.uk)

Friday 19<sup>th</sup> March 2010

This page is intentionally left blank

**MINUTES OF THE GENERAL PURPOSES COMMITTEE  
TUESDAY, 12 JANUARY 2010**

Councillors Meehan (Chair), Griffith (Vice-Chair), Aitken, Dodds and Adamou

Apologies Councillors Alexander, Bull and Khan

Also Present: Terence Mitchison (Senior Project Lawyer), Gerald Almeroth (Chief Finance Officer), Kevin Bartle (Head of Corporate Finance), Colin Duck (Interim Head Of Finance Treasury & Pensions), Stuart Young (Assistant Chief Executive People, Organisation & Development), Steve Davies (Head of Human Resources), Carmelina Tona (Head of Schools Personnel), Natalie Cole (Committee Clerk)

**MINUTE  
NO.**

**SUBJECT/DECISION**

<b>GPCO34.</b>	<p><b>APOLOGIES FOR ABSENCE (IF ANY)</b></p> <p>Apologies for absence were received from Councillors Alexander, Bull and Khan. Councillor Bull was substituted by Councillor Adamou and Councillor Khan was substituted by Councillor Dodds.</p>
<b>GPCO35.</b>	<p><b>URGENT BUSINESS</b></p> <p><b>RESOLVED</b></p> <p>That the exempt minutes of the meeting held on 25<sup>th</sup> June 2009 be tabled and confirmed (item 46).</p>
<b>GPCO36.</b>	<p><b>DECLARATIONS OF INTEREST</b></p> <p>There were no declarations of interest in relation to items on the agenda.</p>
<b>GPCO37.</b>	<p><b>DEPUTATIONS/PETITIONS</b></p> <p>There were no such items.</p>
<b>GPCO38.</b>	<p><b>MINUTES</b></p> <p>i. <u>25<sup>th</sup> June 2009</u></p> <p><b>RESOLVED</b> that the minutes of the meeting held on 25<sup>th</sup> June 2009 be confirmed as a correct record of the meeting.</p> <p>ii. <u>7<sup>th</sup> July 2009</u></p> <p><b>RESOLVED</b> that the minutes of the meeting held on 7<sup>th</sup> July 2009 be confirmed as a correct record of the meeting.</p> <p>iii. <u>24<sup>th</sup> September 2009</u></p> <p><b>RESOLVED</b> that the minutes of the meeting held on 24<sup>th</sup> September 2009 be confirmed as a correct record of the meeting.</p>

**MINUTES OF THE GENERAL PURPOSES COMMITTEE  
TUESDAY, 12 JANUARY 2010**

	<p>iv. <u>22<sup>nd</sup> October 2009</u></p> <p><b>RESOLVED</b> that the minutes of the meeting held on 22<sup>nd</sup> October 2009 be confirmed as a correct record of the meeting.</p>
<p><b>GPCO39.</b></p>	<p><b>ORDER OF AGENDA</b></p> <p><b>RESOLVED</b> to vary the order of agenda to consider the Human Resources reports before the Finance Report. The minutes will display the items in the order in which they appear on the agenda.</p>
<p><b>GPCO40.</b></p>	<p><b>TREASURY MANAGEMENT STRATEGY STATEMENT 2010/11 TO 2012/13 AND THE 3RD QUARTER TREASURY MANAGEMENT REPORT.</b></p> <p>The Committee received the Treasury Management Strategy Statement (TMSS) and Investment Strategy 2010/11 to 2012/13; and Treasury Management 3<sup>rd</sup> Quarter Performance update for the period ended 31<sup>st</sup> December 2009, introduced by the Head of Corporate Finance, Kevin Bartle.</p> <p>The Committee noted that the Council's Constitution would be amended accordingly further to changes to the CIPFA Code of Practice on Treasury Management as well as changes to the investment policy and strategy (detailed in section 8 of the report), including increasing the maximum permitted total investment in Money Market Funds (MMFs).</p> <p>The Committee noted that the inclusion of Santander UK PLC (formally known as Abbey) on the Counterparty list (on Page 22 of the tabled Treasury Management Strategy Statement) was subject to the confirmation of Abbey's name change to Santander UK PLC and AA- credit rating.</p> <p><b>14.01.2010</b> <b>Post-meeting note:</b> <i>Abbey's name change to Santander UK PLC had been confirmed and was now reflected on the Debt Management Office website for the Credit Guarantee Scheme and, as such, is included as an approved counterparty within the Council's list.</i></p> <p>In response to an enquiry by Councillor Dodds, the Committee noted that organisations including the Co-operative Bank and Britannia Building Society do not meet the minimum credit rating in the Council's proposed TMSS and therefore were not proposed for inclusion in the 2010/11 version. Officers would, however, give further consideration to the potential inclusion of UK Building Societies onto the Council's counterparty list. However due diligence would need to be undertaken, including detailed consultation with treasury management advisors, before any transactions with these institutions could take place.</p> <p>The Committee noted that a review of investments would be brought before the Committee in 6 months and Treasury Management advisors, from Arlingclose, would attend a future General Purpose Committee to provide Members with their views on investments.</p> <p>The Committee noted the Performance Update, introduced by the Interim Head of Finance Treasury &amp; Pensions, Colin Duck, and that the MMFs were earning a</p>

**MINUTES OF THE GENERAL PURPOSES COMMITTEE  
TUESDAY, 12 JANUARY 2010**

	<p>relatively good yield and that investments could be withdrawn on the same day as requested which was useful in the management of cash flows.</p> <p>The Committee noted the Treasury Management Activities for the 3<sup>rd</sup> Quarter and Period ended 31<sup>st</sup> December 2009 (section 9 and 10 of the report), and the improvement since the 1<sup>st</sup> quarter.</p> <p><b>RESOLVED</b></p> <p>i. That the Treasury Management Strategy Statement and Investment Strategy 2010/11 to 2012/13 be agreed and recommended to the Cabinet and Council for approval.</p> <p>ii. That in principle the changes to the Council's Constitution described in section 8 of the report be endorsed and it be requested that the Constitution Review Working Group recommend the changes, once set out in more detail, to the full Council for adoption.</p> <p>iii. That the Treasury Management activity undertaken for the third quarter and period ended 31<sup>st</sup> December 2009 be noted.</p>
<b>GPCO41.</b>	<p><b>FIXED RATE OVERTIME FOR SCHOOL SITE MANAGERS</b></p> <p>The Committee received the report on the Fixed Rate Overtime for School Site Managers Review introduced by Carmelina Tona (Head of Schools Personnel). The report recommended increasing the rate for when site managers are required to open and close school premises out-side of normal school hours from £7 to £7.70 Monday to Saturday and from £9.50 to £10.50.</p> <p><b>RESOLVED</b></p> <p>That the rate, increasing from 1<sup>st</sup> April 2009 to £7.70 and £10.50 respectively and thereafter will be increased in line with pay awards, be agreed retrospectively.</p>
<b>GPCO42.</b>	<p><b>CHANGING RESTRUCTURING AND REDEPLOYMENT PROCEDURES</b></p> <p>The Committee received the report updating on the Restructure and Redeployment Policy, introduced by Steve Davies (Head of Human Resources). The detailed policy will be brought back to the Committee for consideration.</p> <p>The Committee noted the report and, in response to Members' concerns, was informed that: employees who were placed in to posts for trial periods (appropriate training and support would be provided where necessary) would be given the opportunity to appeal if they failed the trial period.</p> <p>Councillor Aitken highlighted concerns about the potential for redundancy pay-outs and that the new policy might not be transparent. Officers explained that the purpose of the report was not to change current practice but to ensure greater efficiency and avoid costs and redundancy pay-outs.</p> <p>The Committee noted Councillor Dodds' comments highlighting that, from his experience of being involved in employee appeal hearings, employees at the bottom of the staffing structure appeared to lack confidence in their ability to take</p>

**MINUTES OF THE GENERAL PURPOSES COMMITTEE  
TUESDAY, 12 JANUARY 2010**

	<p>on new roles required through redeployment and feared they would be dismissed on capability grounds.</p> <p>It was agreed that an analysis of the redeployments made in the last 2 years be provided to Committee Members including the outcome of each redeployment case.</p> <p><b>RESOLVED</b></p> <p>That authority be delegated to the Head of Human Resources to negotiate changes to the Restructuring and Redeployment policies with the trade unions.</p>
<p><b>GPCO43.</b></p>	<p><b>RECRUITMENT POLICY</b></p> <p>The Committee received the Recruitment Policy Update, introduced by Stuart Young (Assistant Chief Executive - People, Organisation &amp; Development).</p> <p>The Committee noted the principles of the Recruitment Policy Update (Paragraph 12 of the report, Page 51 of the agenda pack).</p> <p>Councillor Dodds highlighted that the NHS had an on-line system where all NHS jobs in the country were advertised. The Head of Human Resources (HR) explained that London borough Heads of HR were starting to explore the possibility of a similar website specifically for Local Government. There were common job sites which the Local Authorities used to advertise vacancies which were substantially cheaper than advertising in professional magazines and newspapers.</p> <p>Councillor Dodds expressed concern at the expense of employing staff on a temporary basis due to delays in Criminal Records Bureau (CRB) checks and questioned why transferable CRB certificates from previous employment were not accepted. It was noted that guidance from government agencies advised against the use of transferable CRB certificates, although teachers in Haringey were able to start working pending a CRB check.</p> <p>The Council had challenged government bodies (through the appropriate channels) about advising employers not to accept transferable CRB certificates and the Committee suggested that the Cabinet Member for Children's Services be asked to write to the Secretary of State on the matter.</p> <p><b>RESOLVED</b></p> <p>That authority be delegated to the Head of Human Resources to negotiate changes to the Recruitment Policy with the trade unions.</p>
<p><b>GPCO44.</b></p>	<p><b>DISCIPLINARY PROCEDURE UPDATE</b></p> <p>The Committee received the Disciplinary Procedure update (in accordance with recent case law), introduced by Steve Davies (Head of Human Resources).</p> <p>The Committee noted the report and it was:</p> <p><b>RESOLVED</b></p>



**MINUTES OF THE GENERAL PURPOSES COMMITTEE  
TUESDAY, 12 JANUARY 2010**

	<p>That the changes to paragraph 3.8 and paragraph 3.14 of the Disciplinary Procedure be agreed with immediate effect which are highlighted in <b>bold</b> as follows:</p> <p>Paragraph 3.8: Following initial fact finding, when an employee is requested to attend an investigatory interview he/she will be given notice of that interview. A trade union official or workplace colleague can also accompany him/her <b>(in exceptional circumstances an employee may have legal representation – see para 3.14)</b>.</p> <p>Paragraph 3.14 At all states of the procedure, except the initial fact finding interview and suspension stage, an employee will have the right to be accompanied, by a trade union official or work colleague. <del>This excludes legal representatives.</del> <b>Where there is potentially a serious ongoing consequence of a disciplinary decision in respect of future employment or career of the employee then the employee may choose to have legal representation. This consequence would need to be much greater than, for example a finding of gross misconduct. The consequence must be one where a further restriction in employment would flow from the disciplinary decision such as de-registration from a professional body. All requests for legal representation will be considered by the Head of Human Resources. Legal representation for the employee may mean that both the person hearing the case and the person presenting it should consider whether they require a legal advisor or some form of legal support. One outcome of such an arrangement is that of a greater formality in the proceedings.</b></p>
<p><b>GPCO45.</b></p>	<p><b>NEW ITEMS OF URGENT BUSINESS</b></p> <p>There were no such items.</p>
<p><b>GPCO46.</b></p>	<p><b>EXCLUSION OF THE PRESS AND PUBLIC</b></p> <p><b>RESOLVED</b></p> <p>That the press and public be excluded from the meeting for consideration of the urgent exempt item (minute no. 47) as it contained exempt information as defined in Section 100a of the Local Government Act 1972; namely information that was likely to reveal the identity of an individual, and information relating to any individual.</p>
<p><b>GPCO47.</b></p>	<p><b>NEW ITEMS OF URGENT EXEMPT BUSINESS</b></p> <p><u>Exempt Minutes of the meeting held on 25<sup>th</sup> June 2009</u></p> <p><b>RESOLVED</b> that the minutes be confirmed as a correct record.</p>

The meeting ended at 20:05 hrs

Councillor GEORGE MEEHAN Councillor .....

Chair

**SIGNED AT MEETING.....DAY OF.....**

This page is intentionally left blank

Agenda item:

**[No.]****General Purposes Committee****On 29 March 2010**Report Title. **Updates to Redeployment Policy and Restructure Policy**Report of **Assistant Chief Executive (People & OD)**

Signed :

Contact Officer : Steve Davies, x3172, [steve.davies@haringey.gov.uk](mailto:steve.davies@haringey.gov.uk)**1. Purpose of the report**

- 1.1. To approve the changes to the Redeployment Policy and to the Restructure Policy as outlined.

**2. Introduction by Cabinet Member (if necessary)**

- 2.1. (Not necessary)

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. Not applicable.

**4. Recommendations**

- 4.1. To approve the reports.

**5. Summary**

- 5.1. The main principles of the redeployment policy update will include
- A variable approach to managing the redeployment search period and redundancy notice periods for redeployees.
  - A more detailed approach to matching the skills of the redeployee to the requirements of suitable vacancies. Allocation of redeployees to posts with

longer trial period (between 8-16 weeks).

5.2 The main principles of the restructure policy update will include:

- All requests for redundancy will be managed without the call for volunteers.
- Every effort will be made to retain displaced staff but it is recognised that it may not be possible to do this in the current climate.
- Employees who do not co-operate in the redeployment process may jeopardise all or some elements of their redundancy payment.
- A combination of methods will be used to select individuals for posts in the new structure
- Job families will be created to improve the flexibility of staff movement.

## **6. Chief Financial Officer Comments**

- 6.1. The proposed changes to the redeployment and restructure policies being recommended should provide for a more streamlined and efficient process.
- 6.2. Clearly if redeployment opportunities are not identified, redundancy costs will ultimately be incurred the financial impact of which will be assessed on a case by case basis.

## **7. Head of Legal Services Comments**

7.1. The Head of Legal Services has been consulted on the content of this report and the proposed policy documents concerning organisational restructuring and redeployment. The proposals generally meet the statutory and common law requirements concerning reorganisation and redundancy. A few points require some further comment in order to clarify the operation of the new policies.

7.2. The first point is that the statutory right to a redundancy payment is only extinguished where an employee unreasonably refuses an offer of suitable alternative employment in respect of a post to commence within 4 weeks of the termination date of the old contract, which has been made before the termination of that contract.

7.3. The next point is that the process by which employees are selected for redundancy must be one that is fair, objective and non-discriminatory. Thus the methods used for selection in any particular circumstance must be capable of justification in the individual conditions of that circumstance and also must be the subject of consultation.

7.4. There are two main elements regarding the duties on an employer to consult concerning proposed redundancy dismissals. The first is the statutory duty which includes the requirement to consult with recognised trades unions as identified in the policy document. The second is the common law duty to consult with individual employees affected.

7.5. The provisions set out in the redeployment policy concerning priority consideration being given to employees with a disability and to pregnant employees are an accurate reflection of the position as required by statute. This is unchanged from the previous policy.

## **8. Equalities & Community Cohesion Comments**

8.1. There are no fundamental changes to the content of either policy which will have detrimental equality implications for employees.

## **9. Consultation**

9.1 The Head of HR has met with trade union representatives to consult on the content of the policies.

## **10. Service Financial Comments**

10.1 At this point in negotiations it is difficult to predict if there will be any savings resulting from the changes, although there may be some arising from changes to redundancy payments if people do not co-operate with the redeployment process.

## **11. Local Government (Access to Information) Act 1985**

No documents that require to be listed were used in the preparation of this report.

## **12. Principles to be included in the new Redeployment Policy**

### **Introduction**

1. An increased number of employees being selected for redeployment is anticipated.
2. There is also likely to be reduction in the number of vacancies being advertised and therefore fewer opportunities for redeployment.
3. The current redeployment policy allows for up to 12 weeks redeployment followed by a contractual notice period of up to 12 weeks. A variable approach to the period of redeployment offered will be adopted with the maximum period being given only where there is a clear organisational need to retain the skills of the individual.
4. Redeployees will be matched to vacancies without the need for a recruitment process which can be stressful to the redeployee and penalises those with less interview experience.

### **Key Principles of new policy**

1. The more flexible redeployment search period will be adopted. The current policy allows for a redeployment period of up to 12 weeks can be , although in practice 12 weeks is the norm. It is proposed to make this period more flexible according to likelihood of placement.
2. An extension to the agreed redeployment may only be requested once for sound business reasons and be for a defined period. The Head of HR will make the final decision about whether to agree the request.
3. It is proposed to pro-actively match redeployees to posts based on skills assessment. Currently the redeployment process mirrors the recruitment process with an application and a panel interview. The new policy proposes matching redeployees to vacancies with a longer trial period. A final decision regarding suitability of redeployee to post will be made by the line manager at the end of the

assessment. A competitive interview will only be held where two or more redeployees are matched to one vacancy.

4. A factual Statement of Employment History prepared by HR which will be given to managers when the assessment period begins. The Statement will contain sickness information and "unspent" disciplinary information and will be for information only.
5. In the cases of medical redeployees or redeployees who have a disability, Occupational Health must confirm that any adjustments identified are reasonable & can be implemented in the new role before the placement begins.
6. Currently, if a redeployee is successful in being seconded to a post or secures a temporary post for up to 12 months, their substantive business unit is responsible for meeting redundancy costs. If the temporary post lasts for 12 months or more redundancy costs are met by the new business unit.

A copy of the full policy is attached.

### **13. Principles to be included in the new Restructuring Policy**

#### **Introduction**

The Organisational Change / Redundancy policy (to be re-named the Restructure Policy) was last updated in November 1997 and is now in need of revision in the light of changing circumstances.

The new policy has not substantially changed the spirit of the original document, instead it seeks to bring it up to date, and where necessary, make amendments in line with legislative changes and changes which have taken place within the council since the original policy was adopted.

#### **Principles of the Restructuring Policy**

1. In the current climate and for the foreseeable future, budgets will be tightened and business units will be seeking efficiency savings. Restructuring will be a method of achieving these aims, although it is recognised that it may have an impact on the job security of some employees. Although the council will no longer seek volunteers for redundancy it can no longer aim to avoid compulsory redundancies. Instead the policy aims to minimise the effect of redundancies by employing a variety of methods, including redeployment, freezing recruitment, or reducing / restricting non-essential overtime and reducing the need for agency staff where appropriate.
2. It is proposed to utilise a variety of methods for selecting individuals for posts including interviews, management assessment, and/or relevant testing.
3. Management assessments will be conducted by at least two managers. Advice will be provided by HR in all cases.
4. Due to changes to the pension scheme, the council no longer offers added years in the case of redundancy.
5. It is proposed that where a redeployee has not fully co-operated with the redundancy process they may jeopardise all or some of their entitlement to a redundancy payment.
6. The position of employees in 'Acting up' situations will be clarified.

A copy of the full policy is attached.

REDEPLOYMENT POLICY

APPENDIX A

Introduction

Scope of the Policy

General Principles

Redeploying to a Temporary Post

Skills Assessment & Workshops

- Skills assessment interview
- Employment skills workshops

Matching Redeployees to Vacancies

Trial Period of Assessment

Disabled Redeployees

Employees on Maternity Leave

Safeguarding Initiatives

Factual Statement of Employment History

## REDEPLOYMENT POLICY

### INTRODUCTION

The council's redeployment procedure was approved by General Purposes Committee on XXXXX to take immediate effect.

The current procedure is set out in full below.

### SCOPE

The procedure is designed to cover redeployment arising from

- reductions in posts
- re-organisations of the establishment or structure
- an employees' inability to meet their substantive post due to ill health or disability
- re-instatements from Member Appeals
- relegations following a disciplinary, capability or as directed by the Head of HR
- for any other reason under Council procedures

This procedure applies to all Council employees, except those employed at schools/colleges under Local Management of Schools which have their own procedures. It will not apply to staff falling within the purview of the JNC for Chief Executives or Chief Officers.

### GENERAL PRINCIPLES

The council has an obligation to seek suitable alternative employment for an employee whose post is made redundant or is unable to perform their duties due to reasons mentioned above. Whilst attempts will be made to find a redeployee suitable alternative work, redeployees are also expected to take responsibility to proactively search for suitable alternative employment.

In order to maximise the job opportunities available across the council a suitable vacancy may be either temporary or permanent. Redeployees may also be considered for either suitable secondment opportunities or for temporary project work to develop their work experience which may assist them to secure a permanent position inside or outside the council. If a redeployee applies for or is matched to a secondment opportunity, she/he will be given a temporary contract for the duration of the opportunity as it is not possible to second an employee with an expectation of return to a post which may not exist on the establishment at the end of the secondment period.

The council does not protect earnings if an employee is displaced. A redeployed employee will take up the terms and conditions applying to a new post and is not protected from any reduction in previous earnings or benefits.

In exceptional cases, redeployees may be given a redeployment period of up to 12 weeks although the majority of redeployees will be given a period of between 4 – 8 weeks with each case considered on an individual basis. Where less than 12 weeks have been given,



an extension may be requested by the redeployee's Head of Service, this must be made in writing to the Head of HR who will make the final decision.

The period of redeployment will be given in addition to the redeployee's contractual period of notice. The redeployee will be notified, in writing by HR, of the start and end date of the notice/redeployment period when they are first referred to the redeployment register and a copy will be sent to the Redeployment & Retention Adviser as confirmation of the individual's referral to the redeployment pool. Details of their estimated redundancy payment will be sent to the redeployee towards the end of this period if attempts to redeploy have been unsuccessful.

Employees who are involved in a re-organisation process should be referred to the corporate redeployment pool only when they have been unsuccessful in ring fence interviews which are applicable to them and after the manager has considered whether the effected employee(s) can be redeployed elsewhere within the Directorate. In the event that a suitable position is not identified via redeployment then the employing manager will remain responsible for meeting potential redundancy costs.

### **REDEPLOYING TO A TEMPORARY POST**

If a redeployee is appointed to a temporary position for a period of 12 months or less, the redeployee's substantive Directorate will be responsible for meeting any redundancy costs. However, if the temporary contract lasts for more than 12 months the employing directorate will assume responsibility for meeting potential redundancy costs.

If a redeployee takes on two or more temporary contracts, each individually lasting 12 months or less but where the total time away from their substantive post totals more than 12 months, their substantive directorate will remain responsible for meeting potential redundancy costs.

Before a redeployee takes up a second or subsequent temporary post which would take them away from their substantive post for more than 12 months (and providing that this temporary post is less than 12 months in total), the Redeployment & Retention Adviser must ensure that the redeployee's substantive line manager is aware of their responsibility for payment of potential redundancy costs.

For the duration of a temporary contract, the redeployee will be suspended from the redeployment pool. He/she will be re-instated into the pool towards the end of the temporary period for the remainder (if any) of their period of redeployment & notice.

### **SKILLS ASSESSMENT AND WORKSHOPS**

#### **Skills Assessment Interview**

Within a maximum of 3 working days of receiving a referral to the redeployment pool, the Redeployment & Retention Adviser will contact the redeployee with a date for the skills assessment interview. Redeployees should make all reasonable efforts to make themselves available for this meeting. A template of a career history form will be sent to the redeployee in advance of this meeting for them to complete and discuss at the meeting. This form will form the basis of the discussion. The period of redeployment and notice will begin from the date of referral to the Redeployment Pool. An assessment centre may also be arranged to give more detailed information regarding existing skills

The purpose of the assessment meeting will be to

- explain the redeployment procedure and process and to answer any questions the redeployee may have
- to seek to find out more about the existing skills of the employee

The meeting will also be an opportunity to discuss any support the redeployee may need and to ascertain whether there is a need to refer for personal counselling via the Council's Occupational Health Unit. The discussion may also be used to help to identify any immediate training requirements that the redeployee may have. If a training need is identified, the Redeployment & Retention Adviser will be responsible for liaising with the redeployee's line manager, with the Organisational Development and Learning team and occasionally with the Haringey Adult Learning Service, to explore suitable training courses which may be available. Any costs relating to training will be met by the redeployee's line manager.

### **MATCHING REDEPLOYEES TO VACANCIES**

Vacancies are to be firstly checked by the Redeployment & Retention Adviser to see if there is a potential match to the skills of any of the redeployees. Jobs will only be considered at the same grade as the redeployee's substantive post or at one grade above or below. If there is a potential match at a grade other than these, the suitability of the redeployee for the post must be subject to a decision made by the relevant Business Partner.

In cases where the Redeployment & Retention Adviser considers that there is a good match between the skills of the redeployee and the vacancy, the recruiting manager and the redeployee will be informed and a date agreed for the redeployee to begin an assessment period. Neither side will be able to refuse to take part in this period of assessment. A copy of the Employment/Skills Profile completed by the redeployee will be sent to the line manager for information at the start of the assessment period and will be for information only.

The period of assessment will last for a minimum of 8 weeks but after consultation between the line manager and the relevant HR Business Partner, it may be extended for a period of up to 16 weeks. During the trial period, the notice / redeployment period will be suspended until such time as the redeployee is either permanently redeployed or is returned

If there are two or more redeployees who are matched to the same job, each will be asked to complete a statement in support of their application which addresses the candidate specification criteria. Each redeployee will be guaranteed an interview for the post. The recruiting manager will be given a copy of the skills assessment form and the supporting statement for each candidate prior to the interview but cannot use these as a shortlisting tool.

If a redeployee is referred to the corporate pool after a suitable job has been released for external advertising, which the redeployee considers to be a suitable match, he/she can complete a standard on-line application form addressing the candidate specification and make it clear on their application that they are applying as a current redeployee. Their application will be considered alongside any other external applicants. They are also

responsible for notifying the Redeployment & Retention Adviser of their application. Once notified, the Adviser will alert the relevant line manager to the redeployee's status, remind them of the council's commitment to retaining staff within the organisation and outline that training or development should be considered in order to help them to fulfil the full job requirements. The decision to shortlist or not remains with the recruiting manager.

### **PERIOD OF ASSESSMENT**

The assessment period should be used by the line manager to closely monitor and assess the suitability of the redeployee for the post. The line manager must ensure that the assessment is used to identify any training needs, to set targets as necessary and to enable a full assessment of the redeployee's suitability for the job to be carried out during the period.

Assessment forms must be completed at fortnightly intervals throughout the period with a copy returned to the Redeployment & Retention Adviser.

A final decision regarding the suitability for the redeployee must be made at the end of the agreed assessment period. If the decision is that the redeployee is not suitable, this must be confirmed to the redeployee in writing by the line manager and a copy sent to the Redeployment & Retention Adviser. The redeployee would then remain on the redeployment register for the period remaining of their original period of redeployment & notice.

If either the redeployee or the line manager consider during the assessment that the post is not suitable, one or other must raise this as early as possible during the assessment period and must be able to provide evidence to support their claim. Support and development opportunities should be given to enable the issue(s) to be resolved but if ultimately this isn't successful, a discussion must take place with HR to agree a date for the redeployee to return to his/her substantive role (or to a suitable alternative job identified by the substantive line manager) for the remainder of their period of redeployment & notice and the job search will begin again.

### **DISABLED REDEPLOYEES**

The Disability Discrimination Act 1995 (as amended) requires employers to consider making reasonable adjustments to working arrangements in cases where an employee's disability puts him or her at a disadvantage to a non-disabled employee. This includes offering a position in preference to other staff where an employee is being re-deployed for a reason related to their disability.

For medical redeployees or redeployees with a disability, the occupational health unit must confirm that the placement is suitable before the redeployee begins work. If there are considerable adjustments which need to be put in place before it begins, a decision must be taken about whether or not it is reasonable to do so.

Serious consideration must be given by the recruiting manager in discussion with the Redeployment & Retention Adviser as to whether additional training could be given to support the employee during the trial period in order to assist them in meeting the skills requirement of the job.

## EMPLOYEES ON MATERNITY LEAVE

Employees on maternity leave have a right to be fully consulted during a restructure or re-organisation and to be offered any suitable alternative post (\*), where her skills and experience are matched to a suitable vacancy. However, only pregnant employees who have already commenced a period of maternity leave must be offered suitable alternative employment in preference to any other employee who is similarly affected by redundancy. A failure to do so will make any dismissal as a result of the redundancy programme automatically unfair.

*\*Suitable alternative employment means the work to be done is suitable in relation to the employee and appropriate for her to do in the circumstances, and the provisions of the contract as to the capacity and place in which she is to be employed and the other terms and conditions are not substantially less favourable than they would have been if the employee had continued to be employed under the previous contract.*

## SAFEGUARDING INITIATIVES

A suitable placement may be identified which requires either a CRB Disclosure and/or clearance from the Independent Safeguarding Authority (ISA) (ISA checks become mandatory from November 2010 for some jobs which have regular and direct contact with children or vulnerable adults).

If a CRB is required, a Waiver Form may be completed to ensure that the redeployee is closely supervised until the CRB is received. A CRB will be applied for at the beginning of the trial placement. The period of assessment and close monitoring must be extended until the CRB disclosure is received and is considered satisfactory.

If the CRB disclosure is not satisfactory the process detailed in the CRB policy must be followed. If the subsequent decision is not to offer the post on a permanent basis due to an unsatisfactory CRB, the redeployee will be returned to the redeployment register for the remainder of their 4 month period of notice/redeployment.

If the identified vacancy is a Regulated or Controlled post under the ISA definitions, the redeployee must be checked and clearance received before she/he can start the placement.

## FACTUAL STATEMENT OF EMPLOYMENT HISTORY

The statement will be prepared by HR and will be given to the manager for information only, at the beginning of the assessment period. The Statement will contain sickness information and "unspent" disciplinary information. The sickness details may be used to consider past history and to be used by the manager who may wish to consider "fast tracking" a redeployee to the formal sickness procedure if high levels of absence continue during the assessment period.

# RESTRUCTURE POLICY

# APPENDIX B

## INTRODUCTION

## SCOPE OF THE POLICY

## GENERAL PRINCIPLES

## FLOW CHART & TABLE FOR GUIDANCE

## METHODS OF SELECTION POSTS IN A NEW STRUCTURE

- Assimilation

- Interview Process

- Management Assessment

## EXPLANATION OF RING FENCES

## REDUNDANCIES

- Issuing redundancy notices

- Early retirement and redundancy payments

- Awards of increased membership

- Multiple contracts

- Dismissal during redeployment assessment period

- Failure to co-operate with the process

## EQUAL OPPORTUNITIES

- Discrimination

- Employees with a disability

- Trade Union officials on full time release

- Pregnant women and women on maternity leave

- Equalities monitoring

- Equalities impact assessments

**Appendix A; Statutory Requirements**

## Introduction

The Council's Restructure procedure was approved by General Purposes Committee on xxx to take immediate effect.

The current procedure is set out in full below.

## Scope

This procedure applies to all Council employees, except those employed at schools/colleges under Local Management of Schools, which have their own procedures. It will not apply to staff within the purview of the JNC for Chief Executives or Chief Officers or to centrally employed teachers where LMS process will apply. This policy does not apply in a TUPE (transfer of undertakings) situation.

## General Principles

This policy sets out the legal and organisational responsibilities that will be met when restructuring and redundancy is necessary. Appendix A outlines the definition of redundancy and statutory requirements.

Restructuring may occur due to the following reasons, although this is not an exhaustive list:

- Closure of a service
- Change in funding
- Change in legislation
- Change in working practice
- Re-organisation to meet business needs

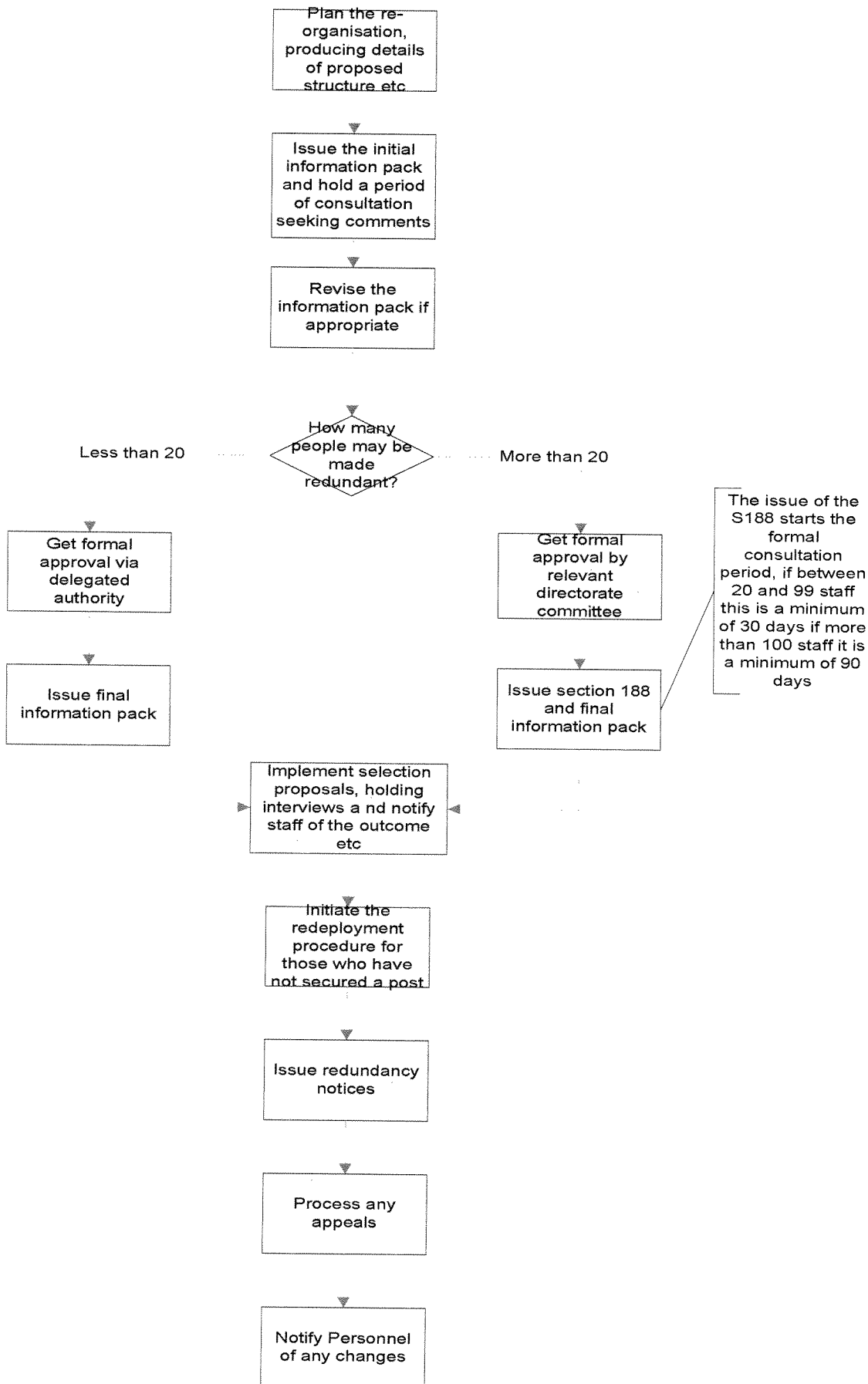
Where possible the Council will look at ways to minimise any redundancies arising from restructuring. The Council may for example place recruitment freezes, reduce overtime unless absolutely necessary for the effective running of the service, implement temporary voluntary downgrading, or redeploy staff into suitable posts in other areas (please see the redeployment policy for further information on the redeployment process).

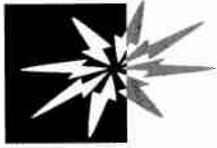
## Flow Charts & Tables for Guidance

Flow chart: Showing the process for restructuring where redundancies are likely

Table for Guidance: Shows a summary of the procedure to be followed.

FLOW CHART FOR RESTRUCTURING WHERE REDUNDANCIES ARE LIKELY TO OCCUR





**Haringey** Council

**Table - STAGES IN RESTRUCTURE**

<b>Action</b>	<b>Item to be covered</b>
Planning	<ul style="list-style-type: none"> <li>▪ Plan the reorganisation</li> </ul>
Consultation	<ul style="list-style-type: none"> <li>▪ Issue information pack to all employees and to trade unions. (Details of what should be included in the information pack are given in the Management Guidance)</li> <li>▪ Ensure that employees who are absent for any reason (i.e due to long term sickness, maternity leave, sabbatical, secondment or for other reason), are also included as part of the consultation process.</li> <li>▪ Allow a reasonable period for staff and unions consultation on the proposals, including meetings of managers and groups/ individuals affected by the change.</li> <li>▪ Make changes to proposals if justified following consultation.</li> <li>▪ Notify employees and trade unions of finalised structure and proposals through a series of one to one and group discussions.</li> <li>▪ Informal notification of intentions may be given to trade union representative at the beginning of the process. The 30 or 90 day period of formal consultation will begin only when there is sufficiently detailed information available and sent to individual employees which would enable them to identify how they may be affected.</li> </ul> <p>Note – A reasonable period of consultation will be determined by how many people may be made redundant. If up to 99 people may be made redundant then at least 30 calendar days consultation must be allowed. If it is 100 or more people then 90 calendar days must be allowed.</p>
Formal approval of the new structure	<ul style="list-style-type: none"> <li>▪ Where the changes affect 20 or less posts, complete a delegated authority form or if it affects more than 20 posts prepare a report for cabinet/ committee and get member approval on the new structure</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>▪ Implement selection proposals</li> <li>▪ Hold a series of one to one discussions with staff followed by a letter letting the employee know the outcome of the selection process</li> </ul> <p>Organise any other staff communication initiatives, awaydays, workshops, etc.</p>
Notification of changes	<p>Notify HR of any changes in staffing arrangements and refer displaced staff for redeployment</p>



## **METHODS OF SELECTION FOR POSTS IN THE NEW STRUCTURE**

None of the methods described below need be applied exclusively. Indeed there may be differing circumstances within a single section, unit or division which need differing approaches or a combination of approaches. Management will need to justify the reasons why a particular selection method or combination of methods was chosen during the consultation stage. Advice could be sought from the HR Section.

On occasions there may be the need to close a specific unit which will result in all the staff being displaced. It is possible for a unit closure to be a single employee. The identification of a unit or section for closure will not automatically result in the people who work within it being declared redundant. Consideration will be given to whether the affected employees can be redeployed elsewhere within the Directorate or they may be referred to the corporate redeployment register.

In most restructures the need to use a number of selection processes will be needed. These include –

- Assimilation
- Management Assessment
- Interviews
- Tests/ Assessments (the Management Guidance gives details relating to testing)

A combination of the above methods

### **Assimilation**

Assimilation will be used as part of these processes in very clearly defined circumstances i.e:-

- i) where the post(s) is (are) substantially unchanged.
- ii) where the number of post holders is the same as or less than the number of posts.

Interview processes including tests as appropriate

Interview processes and tests should be used when functions are changing/being organised in a different way and there are new posts that need to be filled.

### **Combination of Selection methods**

Where closed ringfences arise then a number of methods may be used including management assessment, interviews and tests/ assessments.

### **Management Assessment**

At least two managers will carry out the assessment, one should be the employee's line manager and the second either a manager unconnected with the restructure or a

member of HR. The managers should use the person specification as means of assessing an individual's suitability for the post by assessing how each person meets the specification based on their knowledge of the individual. This assessment will be based on the following information:

- The employee's statement and relevance to the selection criteria
- Factual information such as attendance, timekeeping, capability and disciplinary action will be taken into consideration.
- Tests/ assessments of the individual relevant to the level of work that they undertake.
- Appraisal and supervision records.

Further advice regarding assessments and role of the line manager is given in the Management Guidance.

Whether an element from the candidate specification can be used as a selection criterion for assessing employee suitability will depend on the following:

- Whether accurate information is available regarding the selection criteria and whether it will provide a reliable basis for assessment
- Whether it will meet the necessary degree of selectivity e.g. if everyone has the same qualification using this as a selection criteria would not be appropriate.

Selection criteria must be developed and each criteria weighted in-line with its importance.

Copies of the completed Assessment Proformas will be provided to the individual employees on request. Employees may ask for management to undertake a review of the assessment with regard to any disputed factual information. Where an employee continues to be dissatisfied with the assessment they can request that another manager reviews the assessment criteria.

## **EXPLANATION OF RING FENCES**

The drawing of ring fences is an essential first step in the compulsory selection process. Ring fences will be determined for groups of identical or similar posts. Having established which posts fall within a given ring fence, a decision has to be made as to which existing post holders are qualified to apply for posts within a given ring fence. These arrangements will be the subject of local consultation. Normally ring fences will be confined to the Directorate or a geographical site if employees are unique to that site. Generally employees will not be ring fenced into a selection process where there is clear promotion i.e. more than one grade. The exception to this may be when an individual is employed on a range or linked grade, in this situation, the case will be considered on an individual basis and advice from HR must be sought. The potential equality impact implications will be taken into account before a decision is made. Where one or more employees have been acting up into a higher graded post, the normal process shall be that they enter into a ring fence with other employees at their

substantive grade and be considered for a new post/redeployment at their substantive grade.

The following examples illustrate how ring fences will be determined. These examples are illustrative and not exhaustive.

**A A Group Of Identical Posts Being Reduced**

A ring fence is drawn round the reduced number of posts and all existing postholders are able to be considered for these posts.

**B A Group Of Similar/Interchangeable Posts Being Reduced**

Where a group of similar/interchangeable posts is being reduced/restructured it may well be appropriate to draw a ring fence around all such posts. In these circumstances the posts will not necessarily be the same grade, although generally there will not be excessively wide range of grades. Employees who currently occupy posts that have duties/responsibility and require skills/experience that have significant overlap with the new posts will be able to be considered for these posts. Such ring fences may well encompass posts from more than one existing operating unit.

**C Open/Closed Ring Fences**

Ring fences will be declared to be open or closed dependent upon any change in skills, knowledge or experience required for the restructured posts. In an open ring fence posts will only be filled where it is judged that applicants adequately satisfy the candidate specification. Consequently although the number of applicants may exceed the number of posts not all posts will necessarily be filled.

In a closed ring fence all posts will be filled where the number of applicants equals or exceeds the number of posts within the ring fence.

Generally open ring fences will apply to groups of higher graded posts.

**D "Cascading" Ring Fences**

Where reductions/changes in the organisation are required at succeeding levels it will be necessary to establish a series of ring fences for each level or tier. The selection process will start at the highest level and work down. In these circumstances employees who are not successful in one ring fence may be considered in the ring fence at the tier below providing that the posts in this tier are not more than 1 grade below the individual's substantive grade. It will not be possible for the individual to be considered in any further ring fences in the 'cascade'.

Those who are unsuccessful in securing a new post will be referred to the redeployment register; if redeployment is unsuccessful a dismissal notice will be issued.

## **REDUNDANCIES**

### **Issuing redundancy notices**

All redundancies need to be approved by the Section 151 Officer and Head of HR. For redundancy approval to be granted normally the manager needs to demonstrate that sufficient time and effort has been spent seeking suitable alternative work for the employee. Failure to do so will likely cause the application for redundancy to be rejected.

Advice on the appropriate timing of the issuing of notice of redundancy should be sought from HR.

### **Early Retirement and redundancy payments**

Council policy on redundancy and early retirement payments is determined by General Purposes Committee.

The Council exercises its discretion in relation to early retirement and redundancy payments under the following:

- The Local government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006
- The Teachers (Compensation for Redundancy and Premature Retirement) amendment Regulations 2006
- The Local Government Pension Scheme (Membership Contributions and Benefits) Regulations 2007
- The Employment Rights Act 1996

### **Awards of additional Pensionable membership**

The Council's policy is not to award added membership in cases of redundancy. .

### **Multiple Contracts**

Where a member of staff has two or more current contracts and is being made redundant from only one of them, the start date of this contract will be used as the start date for any redundancy calculations.

Where an employee has one contract at the point of leaving but in the past had two overlapping contracts (with no break in service) the length of service can be counted from the first contract.

### **Dismissal during redeployment assessment period**

If a person is dismissed during their assessment period as a consequence of capability due to ill health or because of disciplinary action, this and not redundancy would be taken as the reason for leaving. A redundancy payment would therefore not be made.

### **Failure to co-operate with the process**

In the event of an individual unreasonably rejecting a suitable position, they will be considered as not co-operating with the redundancy process and will jeopardise all or some elements of their redundancy payment. If no redundancy payment is made then the reason for leaving will be deemed as voluntary resignation.

## **EQUAL OPPORTUNITIES**

### **Discrimination**

The application of selection methods must ensure that all forms of discrimination is avoided and complies with the Council's Equal Opportunities Policy, current legislation and case law.

### **Employees with a Disability**

Any employee with a disability will be considered at the same time as other employees with a decision being made solely on grounds of suitability for the post. The Council will make reasonable adjustments to accommodate the employee in carrying out the job as required by the Disability Discrimination Act 1995 (revised 2004 and 2005).

### **Trade Union Officials on Full-Time Release**

Trade Union officials on full-time release will be exempted from any selection process for the duration of their term of office, after which the individual will become supernumerary and be dealt with by whatever process (redeployment or redundancy where there is no suitable alternative post) that prevails in the Council at that time. In these circumstances advice must be sought from the Head of HR.

### **Pregnant Women and Women on Maternity Leave**

Although it is automatically unfair to dismiss an employee for a pregnancy related reason, any employee can be fairly dismissed if the reason is one of redundancy and is not connected to her pregnancy and/or maternity leave. Where the Council has to make redundancies and the pool of employees from which a selection is to be made contains any employees who are pregnant and/or on maternity leave, this will not affect the implementation of the redundancy programme. There are however a number of specific points which must be addressed:

Employees who are pregnant and/or on maternity leave have a right to be fully consulted with during a restructure or re-organisation, even if they have already indicated that they do not want to return to work. Employees who are already or who

become absent on maternity leave must be included in the consultation and selection process in the usual way.

Consultation must take place individually and collectively. Failure to consult may allow an employee to claim that she was unfairly selected for redundancy.

The selection criteria must not be directly or indirectly biased against pregnant women or those on maternity leave. When finalising the criteria for any redundancy programme, women on maternity leave must not be prejudiced e.g. by their absence.

Employees who are pregnant and/or on maternity leave have a right to be offered a suitable alternative post, where her skills and experience match the candidate specification. However, only pregnant employees who have already commenced a period of maternity leave must be offered suitable alternative employment (\*) in preference to any other employee who is similarly affected by redundancy. A failure to do so will make any dismissal as a result of the redundancy programme automatically unfair.

*(\*) Suitable alternative employment means the work to be done is suitable in relation to the employee and appropriate for her to do in the circumstances, and the provisions of the contract as to the capacity and place in which she is to be employed and the other terms and conditions are not substantially less favourable than they would have been if the employee had continued to be employed under the previous contract.*

The provisions of a new contract regarding the capacity and place in which she is to be employed and the other terms and conditions should not be substantially less favourable than they would have been if the employee had continued to be employed under the previous contract.

In a redundancy situation where no suitable alternative employment is identified and a woman is still on any part of her maternity leave, she must still be issued with contractual notice and her last day of service will be the date on which the notice period ends, not the remaining term of her maternity leave if this is longer than her contractual notice.

If during the notice period suitable alternative employment becomes available, a woman on maternity leave must be offered the post.

### **Equalities Monitoring**

To ensure that the redundancy process is carried out fairly, HR will be expected to keep records of the disability, age, ethnicity and gender of those originally identified as being potentially redundant and to enable the process to be monitored and reported to Members, as required.

**Equalities Impact Assessments**

An equalities impact assessment will be completed on the proposed changes to the establishment structure. Where direct or indirect discrimination is identified the proposal should, where appropriate be adapted to mitigate any potential discrimination.

## **Appendix A: Statutory Requirements**

For entitlement to redundancy payments, under the Employment Rights Act 1996, redundancy arises when employees are dismissed because:

- the employer has ceased, or intends to cease, to carry on the business for the purposes of which the employee was so employed; or
- the employer has ceased, or intends to cease, to carry on the business in the place where the employee was so employed; or
- the requirements of the business for employees to carry out work of a particular kind has ceased or diminished or are expected to cease or diminish; or
- the requirements of the business for the employees to carry out work of a particular kind, in the place where they were so employed, has ceased or diminished or are expected to cease or diminish.

For the purposes of trade union consultation the following point also applies:

- dismissal for a reason not related to the individual concerned or for a number of reasons all of which are not so related

This would cover redundancies due to restructure, introduction of new technology, new working practices etc

### **Consultation with Trade Unions**

The Council is also required to follow procedures contained within the Trade Union and Labour Relations (Consolidation) Act 1992 (TULRA) (S188) and the Trade Union Reform and Employment Right's Act 1993 (TURER) to consult trade union representative(s) when proposing to dismiss as redundant an employee.

Where 20 or more staff are to be made or likely to be made redundant within a period of 30 days or less the appropriate senior manager or their authorised delegated officer must complete a Section 188 notice. This provides trade unions with a clear indication of what is about to happen. The contents of a Section 188 notice will always contain the following:

1. The reasons for the proposed redundancies;
2. The numbers and descriptions of employees it is proposed to dismiss as redundant;
3. The total number of employees within the employee group of the Council;
4. The way in which employees will be selected for redundancy;
5. How the dismissals are to be carried out, including the proposed method of calculating the amount of any redundancy payments to be made and timescales.



Most of the information within a Section 188 notice will be contained within the information pack given to the unions at the start of the consultation about the reasons for changing the structures and is also outlined within this policy. Details regarding the information pack contents are given in the Management Guidance.

Once the Section 188 notice is issued, there a number of actions to be followed in line with the agreed consultation, communication plan and processes contained within this policy.

There are minimum time periods set out for trade union consultation depending on the number of staff potentially being made redundant.

<b>Number of staff</b>	<b>Minimum consultation period</b>
Up to 99 staff to be made or likely to be made redundant within a period of 30 days or less	30 days minimum statutory consultation period before giving notice to terminate an employee's contract of employment.
100 or more staff to be made or likely to be made redundant within a period of 30 days or less	90 days minimum statutory consultation period before giving notice to terminate an employee's contract of employment.

#### **Notification to secretary of state**

Where 20 or more staff are to be made or likely to be made redundant within a period of 30 days or less the appropriate senior manager or their authorised delegated officer must notify the Secretary of State of intended Redundancy as required under Section 188. This is required under section 193 of the Trade Union and Labour Relations (Consolidation) Act 1992.

#### **Trial Period**

Employees are entitled to a reasonable trial period in any alternative employment offered. The Redeployment Policy gives further information.

#### **Arrangements for training/time off**

Employees with more than one years continuous service are entitled to a reasonable amount of paid time off to look for employment and make arrangements for training.





**Haringey** Council

**[No.]**

Agenda item:

**General Purposes Committee**

**On 29 March 2010**

Report Title. **Review of Dependant's allowance for attendance by employees at evening meetings.**

Report of **Stuart Young, Assistant Chief Executive (People & OD)**

*Stuart Young*

Date *18/3/10*

Contact Officer : **Steve Davies, Head of Human Resources, 020 8489 3172**

Wards(s) affected: **ALL**

Report for: **Key decision**

**1. Purpose of the report**

1.1. To approve the increase in the Dependant's allowance.

**2. Introduction by Cabinet Member – Cllr Bob Harris**

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

3.1. Links with People Strategy – Ways of Working theme to get the best out of our people and support continued and sustained improvement in performance and reviewing HR Policies and Procedures.

**4. Recommendations**

4.1. To approve the increase of the maximum Dependant's allowance from £4.00 per hour to £5.80 per hour in line with the minimum wage – adult rate, with effect from 1 April 2010 and in future to be linked to increases in the national minimum wage – adult rate.

**5. Reason for recommendation(s)**

5.1. This allowance was last reviewed in 1990 and was not linked to any allowance increases so has remained at £4.00per hour ever since. The trade unions have

<p>requested that the rate be increased to at least the minimum wage.</p>
<p><b>6. Other options considered - None</b></p>
<p><b>7. Summary</b></p> <p>7.1. The purpose of the Dependant’s allowance is to ensure that no employee is prevented from attending evening meetings when required as part of their work.</p> <p>7.2. This allowance is a reimbursement for costs incurred by an employee where their dependant needs a babysitter/carer (where there are no family or friends available) whilst they are attending an evening meeting outside of their normal working hours.</p> <p>7.3. The reimbursement will be for the duration of the evening meeting and up to one hour after to allow for travelling time. The hourly Dependant’s allowance paid is the actual cost incurred by the employee up to a maximum of £5.80.</p> <p>7.4. The allowance will provide reimbursement for looking after children up to the age of 16 and severely ill or disabled dependants in need of care.</p> <p>7.5. Payment will only be paid on the production of a receipt or some form of proof of expenditure outlining the name and contact details of both the employee making the claim and the babysitter/carer, the amount paid and the period being paid.</p> <p>7.6 The trade unions and key budget holders of the affected employees are in agreement with this allowance increase.</p>
<p><b>8. Chief Financial Officer Comments</b></p> <p>8.1 The Chief Financial Officer has reviewed the recommendation and notes the limited financial implications. The sums are small and can be contained within existing budgets.</p>
<p><b>9. Head of Legal Services Comments</b></p> <p>9.1 The Head of Legal Services has been consulted on the content of this report. Section 112 of the Local Government Act 1972 provides that the Council can apply such reasonable terms and conditions of employment in respect of its employees as it thinks fit. This recommendation falls within the application of such reasonable terms.</p>
<p><b>10. Head of Procurement Comments –[ Required for Procurement Committee]</b></p> <p>10.1. Not applicable.</p>
<p><b>11. Equalities &amp;Community Cohesion Comments</b></p> <p>11.1. There are no equalities implications</p>
<p><b>12. Consultation</b></p> <p>12.1. This has been discussed at the Council’s Corporate Industrial Relations meeting and was agreed by the Trade Unions.</p> <p>12.2. The managers of the affected employees have also been consulted and agree</p>

to the change.

**13. Service Financial Comments**

13.1. There should be limited financial implications arising from the proposed changes as the changes should apply to very few cases i.e. In the last 12 months 5 employees have claimed this allowance via payroll. The total hours claimed was 306.2. Based on the last 12 months claims the estimated annual cost for increasing this allowance to £5.80 is approx £550.00. There are ongoing costs for linking this allowance to minimum wage increases. The minimum wage increase this year was 1.2%. The next review is due on 1 October 2010.

13.2. This increase can be contained within current budget provisions.

**14. Use of appendices /Tables and photographs**

14.1. None

**15. Local Government (Access to Information) Act 1985**

No documents that require to be listed were used in the preparation of this report



Agenda item:

**[No.]**

**General Purposes Committee**

**On 29 March 2010**

Report Title. **Recruitment Policy Update**

Report of **Assistant Chief Executive (People & OD)**

Signed :



Contact Officer : Steve Davies, x3172, [steve.davies@haringey.gov.uk](mailto:steve.davies@haringey.gov.uk)

**1. Purpose of the report**

1.1. To approve the updated Recruitment Policy, copy attached.

**2. Introduction by Cabinet Member (if necessary)**

2.1. (Not necessary)

**3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

3.1. Part of Haringey Value for Money review of recruitment advertising.

**4. Recommendations**

4.1. To approve the report. A copy of the full report is attached.

**5. Summary**

5.1 The recruitment policy is being updated to incorporate a number of changes to make the recruitment process easier and more cost effective to manage. By moving more

advertising on line the council can save at least £200k per annum, and by requiring more on line applications approx £70k can be saved in response handling costs.

5.2 Requesting one previous employment reference will reduce the recruitment timescale which will benefit both the applicant who is keen to start work with the council and manager who needs the new employee in post quickly.

**6. Chief Financial Officer Comments**

6.1. Budgets have been reduced across the Council to reflect the impact of moving to on-line advertising. It is expected that the savings generated from reduced response handling costs will be realised in the first part of the 2010/11 financial year.

**7. Head of Legal Services Comments**

7.1. The Head of Legal Services has been consulted on the content of this report and the attached proposed policy. The policy proposals complies with relevant legal requirements and duties on the Council concerning the recruitment of staff.

**8. Equalities &Community Cohesion Comments**

8.1. There are no fundamental changes to the content of either policy which will have detrimental equality implications for employees.

**9. Consultation**

9.1. The Head of HR has consulted with trade unions on the policy changes.

**10. Service Financial Comments**

10.1. Recruitment Advertising analysis has been carried out with a view to reducing the spend on advertising by at least £200K per annum across the council. In order to help achieve this Chief Executive Management Board have agreed that from 1 October 2009 advertising campaigns will primarily be on line only, with exceptions subject to Director level approval.

10.2. By moving applications on line the council can save approx £70k per annum in response handling costs.

**11. Local Government (Access to Information) Act 1985**

No documents that require to be listed were used in preparation of this report.

**12. Principles of the Recruitment Policy Update**



Modernising recruitment was identified as part of the recent value for money review as it is traditionally a resource intensive process. Reviewing the process will produce considerable cost savings; will improve the experience for candidates and managers.

### **Policy Principles**

#### **1. Advertising**

To reduce costs and to reduce the time taken for job adverts to appear in the print media, it is proposed to move to advertise on-line and only to use print media for generic attraction to the Haringey website. Generic adverts will include regular adverts in Haringey People. Exceptions to online advertising will need to be signed off by the Director with an appropriate business case.

#### **2. Job Search Vacancy Bulletin**

It is proposed to replace the full vacancy bulletin with a shortened jobs listing that will identify the job title, pay and brief 2-3 line job description. This will be produced and distributed to council offices & libraries as now, but savings will be made on printing and in environmental costs. A full bulletin will be available on the council's website for applicants and will be sent to all redeployees on the council's register.

#### **3. Application Forms**

The majority of applications are already received online and it is proposed to restrict applications made to published vacancies to on-line applications only. Applicants can still request postal applications if they are unable to complete an on-line form or require the form in an alternative format due to their disability. Paper application forms will continue to be handed out to potential applicants at job fairs and specific recruitment events.

#### **4. Employment References**

In general, only one employment reference will be required from the candidate's current (or last employer if not currently working) to cover a continuous period of 12 months. A second employment or other reference will be sought to cover any shortfall in this period if necessary. Where employment references are currently sought which cover a 5 year period (i.e. Social Workers), the process will not change.

Where applicants do not have a current or previous employer (e.g. college or school leavers, those returning to work after a period of time caring for children or relatives) a personal or similar reference will be accepted. This may be either from an employment advisor, from a school or college tutor or from someone who knows the candidate well.

If the recruiting manager believes that it is prudent to do so, one or more additional references may be sought before a final appointment decision is confirmed.

#### **5. Safeguarding Initiatives**

Additional safeguarding measures have been introduced in the Directorate of Children & Young People. All short listed candidates complete a Safeguarding Form which is handed to the chair of the interview panel; any items which cause concern are

discussed with the candidate who is told that written follow up enquiries will be made with the authority concerned. If the candidate is the preferred candidate, the appointment decision is delayed until further information is received and discussed with the candidate concerned. Full details are covered in the policy document attached.

**6. Recruitment & Selection Training**

In house training relating to recruitment and selection is providing by the OD team. As a minimum requirement the Chair of the panel must have received recruitment & selection training from Haringey. This training may take the form of either a Haringey training course; or the Haringey E-recruitment course may be undertaken if the Chair has already received public sector recruitment & selection training elsewhere. A list of trained recruiters will be kept.

A copy of the full policy document is attached.

# **THE RECRUITMENT POLICY**

# **APPENDIX A**

**Introduction**

**Scope of the Procedure**

**General Principles**

**Redeploying existing staff**

**Advertising a Vacancy and Inviting Applications**

**Temporary staff**

**Recruiting with a partner agency**

**Recruiting to a new post**

**Drafting the advert**

**Media selection**

**Format of application forms**

**Short listing**

**Appeals against shortlist decisions**

**Interview Panel Composition and Training**

**Assessment testing**

**Drafting questions**

**Conducting the interview**

**Making an Offer**

**Pre employment checks**

**Agreeing a start date**

**Appeals against recruitment decisions**

**Appointing an Overseas Candidate**

**Safeguarding**

**Process to be followed in CYPs**

**CRB and ISA checks**

## INTRODUCTION

The Council's Recruitment and Selection policy was approved by General Purposes Committee on XXXXX to take immediate effect.

## SCOPE OF THE PROCEDURE

The procedure covers recruitment to all permanent and temporary / fixed term contract staff employed on a Haringey contract. The procedure is not applicable to schools operating under delegated budgets. A separate procedure exists for all appointments to Chief Officer and Deputy Chief Officer posts. In general, the Council defines chief officers as direct reports to the Chief Executive and deputy chief officers as direct reports to chief officers.

Applicants who have accepted voluntary redundancy or early retirement have limitations on their right to be re-employed. Only those who were previously employed at PO2 (or equivalent) or below and who left the Council's service at least one year before may be re-employed.

## GENERAL PRINCIPLES

The procedure aims **“to ensure a fast, efficient and transparent process in which both managers and the Recruitment Team are aware of their responsibilities”**.

All recruitment campaigns should be completed as quickly as possible as good candidates may be lost if the process is delayed, delays also give a poor perception of Haringey to applicants and this may affect future applications. The aim is to have an 8 week turnaround from a recruitment request being received by the Recruitment Team to the confirmation of start letter being sent to the applicant. This is an ambitious target which can only be achieved if recruiting managers and the Recruitment Team work closely together.

Recruitment has traditionally been resource intensive in terms of paper and time taken. To reduce costs and to improve the candidate experience, vacancies will be advertised on websites in preference to using paper media and applications will be accepted via the council's jobs website for all posts except where jobs are advertised at jobs fairs or similar events.

The paper version of the Job Search bulletin will show basic vacancy details, the full version of the advert will be available only on line. Paper copies will continue to be circulated to public access points.

Only one employment reference will be requested to cover a continuous period of twelve months. Obtaining references is the longest part of the recruitment process and most are not directly relevant to the post being appointed to, the process is one over which the council has no control and reducing the time taken to obtain one current, relevant reference will decrease the time taken to start a new candidate following their

interview. Exceptions to this will be made when candidates have little or no previous work experience i.e school or college leavers, applicants for Apprenticeship or Graduate training schemes, or from those returning to work after a career break.

The safeguarding aspect of the recruitment process has been strengthened for recruiting to social work and other front line posts in the Directorate of Children & Young People.

### **Redeployment of Existing Council Staff**

All vacancies are considered as potential matches for council redeployees before an external advert is placed. The Redeployment Policy found on Harinet has further details.

## **ADVERTISING A VACANCY AND INVITING APPLICATIONS**

If a vacancy at either the same or a similar level occurs within 6 months of a previous recruitment process it may not be necessary to re-advertise the vacancy in order to fill it. The Notification to Advertise should be completed and submitted in the usual way, the vacancy will be checked to for suitability for a redeployee and if there are none suitable the manager will be notified. If there are second choice candidates from the original recruitment process, they can be contacted to check if they are interested in being considered. If they are, a panel interview can be arranged and a decision taken.

### **Recruiting Temporary Staff from Agencies into Permanent Posts**

All permanent or short term contract vacancies must be advertised. Managers cannot offer a permanent or fixed term contract to an agency temp or to any other non-employed worker without going through the agreed recruitment process.

### **Recruiting with a Partner Agency**

The advertisement must be agreed by both partners and should clearly reflect the partnership nature of the post along with the length of the funding. The advert should appear in the standard house advert style of the employing organisation along with the logo the partner organisation.

The final shortlist of candidates must be agreed by both partners. The Chair of the panel should come from the employing organisation and s/he should arrange for the recruitment administration to be completed.

### **Recruiting to a Newly Created Post**

If managers want to recruit to a new post, the post must be created following the Establishment Control procedure. A copy of the procedure can be found on Harinet.

## **Drafting the Advertisement**

The Recruiting Managers Toolkit on Harinet has information regarding drafting advertisements.

## **Media Selection**

Following a decision taken by Chief Executive's Management Board in 2009, all recruitment advertisements will appear on-line only. The exception to this will be publicising job fairs or similar recruitment events which may benefit from using print media. If all attempts to recruit on-line have failed and the line manager feels that print media should be tried, a business case can be made which should be signed off by the relevant Director.

All recruitment adverts will be placed on the council's website and details will be put into the Job Search bulletin which will be circulated fortnightly to council customer service centres and libraries. The bulletin will list relevant details of the vacancies with the full text of the advert shown on the council's website.

The council's house agreed house style will be the format for all advertisements. Recruitment advertising will be handled by the council's contracted advertising agency.

## **Format of Application Forms**

Applications to individual advertised vacancies will only be accepted if they are made via the council's on-line application system.

The exception to this will be where candidates contact the HR Recruitment Team to either request an application in an alternative format if they have a disability which prevents them from applying on-line or to request a paper application pack if they are unable to access a computer to complete the form.

Paper applications will also be accepted from candidates attending job fairs or a similar event attended by Haringey staff. Providing a paper application to candidates will increase the likelihood of an application being made and the success of the event.

## **SHORT LISTING APPLICATIONS**

The closing date for adverts will be on Sunday, recruiting managers will be able to access the applications received on Monday morning. Short listing should be carried out by at least two members of the interview panel and be completed within 5 working days of the closing date. Managers are responsible for ensuring that a disabled candidate who meets the minimum essential criteria is guaranteed an interview, but appointment to the post must be made on merit.

The **Short listing form** should be used to record all shortlisting decisions made. All papers must be kept by the recruiting manager for at least six months from the date of interview. Once shortlisting has been completed, the details of the candidates to be called to interview should be notified to the Recruitment Team using the **Interview Form**. On receipt of the form, letters inviting the short listed candidates to interview will be prepared and sent by the Recruitment Team.

The invitation letter sent to candidates asks them to contact the recruiting manager if they have any special needs which they need to be met at interview, e.g. sign language interpreter, assistance to allow ease of access for wheelchairs, a reader etc. Advice about how to meet a request is available from the Recruitment Team or from your Equalities Adviser.

If a large volume of applications is received, it is up to the judgement of the shortlisting panel to decide which candidates' best meet the criteria. The panel may choose an objective means of differentiation, for example, weighting certain criteria or some determining some other criteria, to help reduce the application list to a manageable shortlist. Alternatively, the panel may want to consider holding a two stage interview process. If this option is taken, the criteria tested and the questions asked must differ at each interview stage although the interview panel must remain the same.

### **Appeals against Shortlisting Decisions**

A complaint against the decision should be put in writing to the HR Support and Recruitment Manager who will arrange for the Chair of the Panel to contact the applicant to explain the reasons for the decision of the panel.

If the applicant remains unsatisfied with the explanation, she/he must put a second complaint in writing to the HR Support & Recruitment Manager who will arrange to examine the shortlisting papers including all application forms. A decision will then be made about whether or not the initial decision of the panel was correct. If the interviews have not been held, they should be postponed until the investigation into the shortlisting decision has been completed.

If the HR Support & Recruitment Manager finds that the decision not to shortlist was correct, the applicant will be given an explanation in writing. If the decision is found to be wrong, the applicant must be interviewed, either at the same time as other candidates are interviewed or as soon as possible after this date, using the same assessment and interview questions.

### **INTERVIEW PANEL COMPOSITION AND TRAINING**

The ideal size of an interview panel is three people. Wherever possible, the composition of the panel should be balanced in terms of ethnicity and gender, however, it is recognised that this may not always be possible due to the timing of the

recruitment interviews and existing diary commitments of managers and the process should not be unduly delayed because of this.

The panel must comprise:

- A Chair who should be a person with authority to appoint
- the direct line manager of the person to be appointed (if different from the chair)
- and one other person, either someone who has specialist knowledge which the panel would benefit from or someone who will have a working relationship with the new postholder.

As an ideal, all members of the interview panel should have received training in recruitment and selection, either from Haringey or from another public sector organisation. However, it is recognised that this is not always possible due to the timing of interviews and training courses. So as a minimum requirement the Chair of the panel must have received recruitment & selection training from Haringey. This training may take the form of either the standard 2 day course; or the shorter E-recruitment course.

The panel members should remain the same throughout the process. However, if a panel member has to withdraw due to illness or other exceptional reason, the Chair should make the decision either to substitute him/her if time allows or to continue with only 2 panel members in order to make sure that the recruitment process proceeds smoothly and to timetable.

Panel members cannot be included in the process if they have a social relationship with a candidate. If a panel member realises at the time of shortlisting that s/he knows a candidate they must declare an interest and take no part in the process.

Panel members cannot interview for posts which are at or above their own grade. The exceptions to this are where a member of the HR or Equalities teams is on the panel in their professional capacity or where someone is invited to provide specialist or technical knowledge.

The Chair is responsible for distributing copies of the application forms to each panel member in advance of the interviews and for ensuring that the agreed interview questions have been entered onto the **Interview Notes** form. Each panel member must keep notes for each candidate and these must be kept by the Chair of the panel along with all other recruitment documentation for a minimum of 6 months from the date of the interview.

### **Selection Exercises and Assessment Tests**

The interview letter must contain details of tests or presentations to be carried out as part of the interview process. Selection exercises can be prone to culture and gender



bias and care must be taken in choosing and using them. The most relevant exercises are those which are developed from a key part of the job (e.g. typing tests).

The Recruitment Team must be advised where tests are being used and these should be checked to ensure that they are related to the requirements of the job and that they will measure fairly the candidates' ability against the candidate specification.

### **Drafting the Interview Questions**

The questions must be drafted in advance of the interview, normally by the Chair of the Panel, although each panel member should be asked and contribute to the final questions asked.

Each question should have a benchmark answer indicating key areas that the candidate would be expected to cover as this helps each panel member to assess whether or not the candidate has met the criteria in their answer.

The questions must cover all aspects of the candidate specification and must be open and clear and must not discriminate in any way either in terms of gender, race, age, disability, religion, sexual orientation or religion. The same core questions must be asked of all candidates although different questions may be asked to probe and elicit further information from each candidate. Assumptions must be avoided, only the information given by the candidate can be used to assess their suitability for the job.

If a candidate has a disability related to communication, the panel must take this into account and if necessary make adjustments in the method of questioning i.e speaking slower, allowing a longer time for the interview to take into account the time a signer will need to interpret.

### **Conducting the Interview**

Each panel member must assess the candidate's performance against each of the criteria being tested. The criteria must be weighted to reflect their relative importance to the job. Essential and most important criteria should be weighted by a factor of 2. Less important criteria will have a weighting factor of 1. Details of the scoring & weighting system are given on the **Interview Notes** form. To achieve a total score for the criteria the rating score is multiplied by the weighting factor.

The Chair is responsible for keeping all interview notes, along with the shortlisting information for a period of 6 months from the date of the appointment.

Whilst the score provide a good and clear indicator as which is the best candidate it should not be treated as the only method of selection. A discussion must take place at the end of the interviews to assess, which candidate, in the opinion of all panel members and taking into account each candidate's level of previous experience, best meets all the criteria and should therefore be offered the post. A consensus of the

panel should be achieved if possible, however if this is not possible, the Chair makes the final decision.

## **MAKING AN OFFER OF APPOINTMENT**

The Chair of the panel must contact the successful candidate as quickly as possible after the interview to verbally offer the post subject to satisfactory pre-employment checks. If a Redeployment Appeal is on-going during the period of the interviews, no offer of employment, either verbal or otherwise, can be made to the successful candidate until the outcome of the appeal is known.

At this stage, the recruiting manager must confirm that the name(s) of the employment referee(s) given by the candidate on his/her application form are appropriate i.e. that the referee named is the current or previous line manager. Only when verbal acceptance has been received should the e-form **Appointment Form** be completed and submitted to Recruitment. The successful candidate's original application form and the interview notes of all panel members must be sent to the Recruitment Officer for inclusion on the candidate's personal file.

Once the preferred candidate has verbally accepted, the Chair must contact the unsuccessful candidates to let them know the outcome. If feedback is requested it should be given. It is advisable to offer verbal feedback at the initial stage and if the candidate remains unhappy with the feedback offered, the formal appeal procedure can be invoked.

### **Pre-employment Checks**

On receipt of the completed **Appointment Form**, the Recruitment Officer will send a provisional offer letter to the successful candidate and will send regret letters to the unsuccessful candidates.

The starting salary offered should be the minimum point of the grade unless the candidate is already earning more already or if it is a hard to recruit post and previous attempts to recruit have failed.

The pre-employment checks carried out by Recruitment Team include the following:

- Safeguarding checks (including CRB and / or ISA),
- Occupational Health clearance,
- Employment references
- Eligibility to work in the UK

Candidates are asked to submit original documents to Recruitment to ensure that adequate checks can be made and only when all checks are completed satisfactorily

can an appointment can be confirmed. If original documents cannot be produced or if employment references are unsatisfactory, the offer of employment must be withdrawn.

### **Employment References**

An employment reference will be sought from the candidate's current or last employer, providing that their employment at that organisation lasted for a continuous period of 12 months. If it is not possible to obtain one employment reference covering this full period, a second reference will be sought (which may be a personal reference if the candidate has little or no previous employment history). Employment references for qualified social work posts will continue to be requested to cover a full 5 year period. If the recruiting manager believes that it is prudent to do so, one or more additional references may be sought before a final appointment decision is confirmed.

Applicants who do not have a current or previous employer (e.g. college or school leavers, those returning to work after a period of time caring for children or relatives, or those who have been long term unemployed) a personal or similar reference will be accepted. For example, this may be either from an employment advisor, from a school or college tutor or from someone who knows the candidate well.

Managers must be aware of the limitations of employment references and must ensure that the recruitment process is robust and adequately tests the candidate on their experience and suitability for the job being recruited to. All new starters are subject to a six month probation period and that the correct probation process must be followed after any appointment.

Only one reference from the candidate's current line manager is required for internal candidates.

The HR Recruitment team will send a copy of the reference(s) received to the recruiting manager for approval, which must be given in writing and sent to Recruitment for inclusion in the candidate's personal file.

### **Asylum & Immigration Act Checks**

In order Line with the Asylum & Immigration Act 1997 successful candidates must provide original evidence of their right to work in the UK i.e. current UK passport or other passport showing the relevant immigration stamp giving the right to work, or a UK or Irish long birth certificate.

If the candidate's right to work in the UK cannot be proved beyond doubt the offer must be withdrawn as confirmation of the right to work in the UK is a legal requirement.

### **Agreeing a Start Date**

When all pre-employment checks have been satisfactorily completed, Recruitment will notify the line manager who should contact the candidate to agree a start date, the date should be notified to Recruitment who will be able to issue a final contract and arrange an induction date.

If managers agree a start date or start a candidate before they are notified that all pre-employment checks are satisfactory, the candidate will not be entered onto the payroll until all checks are completed.

### **Appeals against Selection Decisions**

Unsuccessful candidates must first put in writing any complaint about the decision to the Chair of the Panel who must provide a feedback to the candidate within five working days of receiving the written complaint.

If the candidate remains dissatisfied, the complaint will be referred to the HR Support and Recruitment Manager. An investigation will be undertaken but this is on the clear understanding that once a recruitment decision has been made, it cannot be reversed.

If the successful candidate subsequently withdraws before a start date is agreed, the panel must take into account the outcome of the investigation before considering a second appointment decision.

### **Appointing Overseas Candidates**

Before offering a post to an overseas candidate, managers must seek advice from the HR Recruitment team to ensure that the correct procedures regarding employment sponsorship of the candidate are followed.

## **SAFEGUARDING**

### **Recruitment Process in Directorate of Children & Young People's Service**

The recruiting manager will refer all Haringey residents who are short listed for a post working directly with children or young people to the Directorate First Response team. If the candidate is known to the authority, details will be passed, in confidence, to the recruiting manager.

Short listed candidates will be sent a Safeguarding Form with their interview letter and will be asked to hand this to the chair of the panel. The form will be checked at the end of the interview and any answers which cause concern will be discussed with the candidate, who will be told that follow up enquiries will be made with the relevant authority. If the candidate is the preferred candidate, an appointment decision will be postponed until full information is received.

Recruiting managers are responsible for following up employment references which are received. A phone call will be made to the referee to confirm the details provided on the reference.

### **Disclosure from the Criminal Records Bureau (CRB)**

Internal or external candidates moving into a job which requires a CRB Disclosure will be required to apply for a new disclosure unless:

- they are moving to a job which is the same as the one they are moving from, dealing with a similar group of clients and dealing with similar work and have an existing CRB which is either less than 12 months old or is less than 3 months old if they are working with children or vulnerable adults
- and they have no break in service
- and have a previous CRB which included a POVA or POCA check.

In all other cases, the new CRB must be received before the employment can be confirmed. If the CRB check is unsatisfactory, the process which must be followed is outlined in the CRB policy.

### **Independent Safeguarding Authority (ISA) Check**

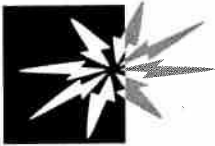
Checks on candidates applying for jobs which meet the ISA definition of either Regulated or Controlled will become mandatory in November 2010. It will be illegal to employ a candidate in a Regulated post if they are not registered on the ISA database before they begin work. Further details are available from HR and will be available in the updated Safeguarding Policy available in 2010.

### **RECRUITMENT RELATED EXPENSES**

A copy of the interview or relocation expenses form is available from the Recruitment Team.

Forms must be completed by the candidate and returned to the recruiting manager for processing and payment.





Haringey Council

Agenda item:

**[No.]****General Purposes Committee****On 29th March 2010**

Report Title: Order Designating Public Places as Controlled Areas for Drinking in Public

Report of: Niall Bolger Director of Urban Environment

Signed : *NPB* 18<sup>th</sup> March 2010.

Contact Officer : Robert Curtis Service Manager Street Enforcement Team

Telephone Number: 020 8489 5286 - Robert.curtis@haringey.gov.uk

Wards(s) affected: St Ann's ward

Report for: Key Decision

**1. Purpose of the report (That is, the decision required)**

- 1.1 This report seeks approval for a proposed extension of street drinking controls for the Police through adoption of new controlled areas in respect of alcohol consumption in public places, as defined by sections 12-13 of the Criminal Justice & Police Act 2001. The report confirms the findings of a review of identified problem areas and formal consultation on the proposed extension.

**2. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 2.1 Street drinking controls contribute to the achievement of priority two of the Council's five priorities which are creating " A Better Haringey: Cleaner, Greener and Safer
- 2.2 Designated Street Drinking control zones support the Council's alcohol reduction strategy.
- 2.3 Designated Street Drinking control zones are part of the Anti Social Behaviour Strategy action plan to address the links between alcohol and anti social behaviour.

**3. Recommendations**

- 3.1. That Members note the evidence collated in relation to crime and disorder,

nuisance and anti social behaviour associated with street drinking locations in the proposed area and the responses to the formal consultation on the proposed Order to control alcohol consumption in the public places designated in the appendices 1, 2 and 3 of this report.

- 3.2 That Members confirm that they are satisfied that nuisance or annoyance to members of the public, or a section of the public, and disorder, are associated with the consumption of intoxicating liquor in the public places proposed for designation.
- 3.3 That Members make the proposed Order under section 13 of the Criminal Justice and Police Act 2001 identifying and designating the public places shown in the appendices 1, 2 and 3 of this report areas as areas for controlling the consumption of intoxicating liquor.
- 3.4 That Members agree to the Order taking effect in April 2010 after advance warning has been given in a local newspaper notice and appropriate street signage.

#### **4. Reason for recommendation(s)**

- 4.1 The Police Local Safer Neighbourhood Team contacted the Council and made the Street Enforcement Team aware that due to the current street drinking control zones in close proximity to Wickes store, displacement had occurred and street drinkers had moved to the proposed area causing anti social behaviour and nuisance to local residents.
- 4.2 Local ward councillors were informed by local residents and stakeholders that street drinkers were causing anti social behaviour in the proposed area. Local residents also informed Street Enforcement Team that alcohol related anti social behaviour had increased in the proposed area.
- 4.3 Street Enforcement Officers during the period November 2009 monitored the proposed area and had found evidence to support the view that alcohol related anti social behaviour had increased in the area due to street drinkers.
- 4.4 A formal consultation was carried out between 22<sup>nd</sup> January 2010 and 19<sup>th</sup> February 2010 with regard to the proposed area being formally designated as a street drinking controlled zone. From the consultation positive feedback was collated by Street Enforcement to support this proposal.

#### **5. Other options considered**

- 5.1 No other options have been considered for this report.

#### **6. Summary**

- 6.1 Appendix 1 evaluation report for proposed designated streets



- 6.2 Appendix 2 provides a map and details of the proposed roads for formal designation as Street Drinking Control Zones.
- 6.3 Appendix 3 provides a map showing St Ann's, Seven Sisters and Tottenham Green wards illustrating the position of the proposed area to current street drinking designated zones
- 6.4 Appendix 4 provides feedback from the formal consultation regarding the proposed designated areas.

**7. Chief Financial Officer Comments**

- 7.1 The service confirms that there will be estimated costs for advertising and signage of £10,000 which will be contained within existing approved Enforcement Service 2010/11 budget.

**8. Head of Legal Services Comments**

- 8.1 Sections 12-13 of the Criminal Justice and Police Act 2001 (CJA 2001) came into force in 2001. These provide Local Authorities with a discretionary power to restrict anti-social public drinking and they provide the police with the power to enforce this restriction. The maximum penalty is a fine of currently £500.
- 8.2 Alongside the CJA 2001, the Local Authorities (Alcohol Consumption in Designated Public Places) Regulations 2001 came into force. The Regulations were amended last year to avoid inconsistencies with the Licensing Act 2003 (S.I. 2007/806). These Regulations set out the procedures and consultation requirements to be followed by Local Authorities in designating public places for this purpose.
- 8.3 To make an order the Local Authority must be satisfied that public nuisance, annoyance or disorder has been associated with public drinking in the area concerned. In general terms the police will have the powers to prevent consumption of intoxicating liquor and power of arrest for non-compliance. This is a discretionary order-making power for the Council. Its enforcement will be at the discretion of the police.
- 8.4 The decision to make a street drinking control order is a non-executive function. Under the Council's Constitution this is within the remit of the General Purposes Committee (GPC). GPC has full authority to make the decision without further authorisation from full Council.

**9. Head of Procurement Comments**

- 9.1 Comments of Head of Procurement are not required for this report.

**10. Equalities & Community Cohesion Comments**

10.1 Street Drinking that causes anti social behaviour affects everyone who lives, works and visits a particular area. Specific groups who maybe adversely affected by this are the vulnerable and elderly. The review has identified that there is evidence that among men from some ethnic groups within Haringey, drinking outside is more of a social norm than it maybe for others. Enforcement activity here will therefore have a greater impact on these groups.

**11. Consultation**

11.1 The Police Senior Management Team have been consulted. The Police sergeant that manages the local SNTs enforcing the proposed zones has been interviewed and consulted.

11.2 Haringey Advisory Group for Alcohol (HAGA) have been consulted regarding the evaluation implementation of Street Drinking Zones within Haringey.

11.3 Ward Councillors, residents and local service providers have been consulted as part of the evaluation process.

**12. Service Financial Comments**

12.1 The service confirms that there will be estimated costs for advertising and signage of £10,000 which will be contained within existing approved Enforcement Service 2010/11 budget.

**13. Use of appendices /Tables and photographs**

13.1 Appendix 1 - evaluation report of proposed area carried out by Street Enforcement team.

13.2 Appendix 2 - a map and details of the proposed roads for formal designation as Street Drinking Control Zones

13.3 Appendix 3 - a map showing St Ann's, Seven Sisters and Tottenham Green wards illustrating the position of the proposed area to current street drinking designated zones

13.4 Appendix 4 - feedback from the formal consultation regarding the proposed designated areas

**14. Local Government (Access to Information) Act 1985**

14.1 Consultation responses from Police SNT's.

14.2 General Purposes Committee report and minutes for 29<sup>th</sup> March 2010.

**Street Drinking Survey – Highlighted Areas****St Ann's Ward**

2. Area including: - Grove Road, Culvert Road, Victoria Crescent, Braemar Road, Edgecot Grove, Russell Road, Kerswell Close, Oulton Road, Cissbury Road, South Grove, Avenue Road, Newsam Avenue.

Originally Proposed by: - Not proposed

Reason for non inclusion: - Not proposed

Highlighted by: - SNT Sgt Nicholas Day (email) - 31<sup>st</sup> January 2008  
 Cllr Catherine Harris (email) – 12<sup>th</sup> February 2008  
 SNT Sgt Tim Hannah / PC Nick Povey (email) – 7<sup>th</sup> August 2009

*Urinating*

*Alcohol Litter*

*Drugs*

*ASB: Dogs*

*Defecation*

*Noise*

*Solicitation*

*Fighting*

*Intimidation*

*Aggressiveness*

*Street Drinking*

Days visited:

**Thursday 12<sup>th</sup> November 2009, 18:00 hours;** Area very quiet due to heavy rain. Some alcohol litter.

**Wednesday 18<sup>th</sup> November 2009, 13:00 hours;** Two males seated on Culvert Road drinking alcohol. Both seemed drunk and were intimidating. Some sign of alcohol litter.

**Thursday 19<sup>th</sup> November 2009, 12:30 hours;** Area quiet, some alcohol litter.

**SCHEDULE  
PUBLIC PLACES TO BE DESIGNATED BY THE ORDER**

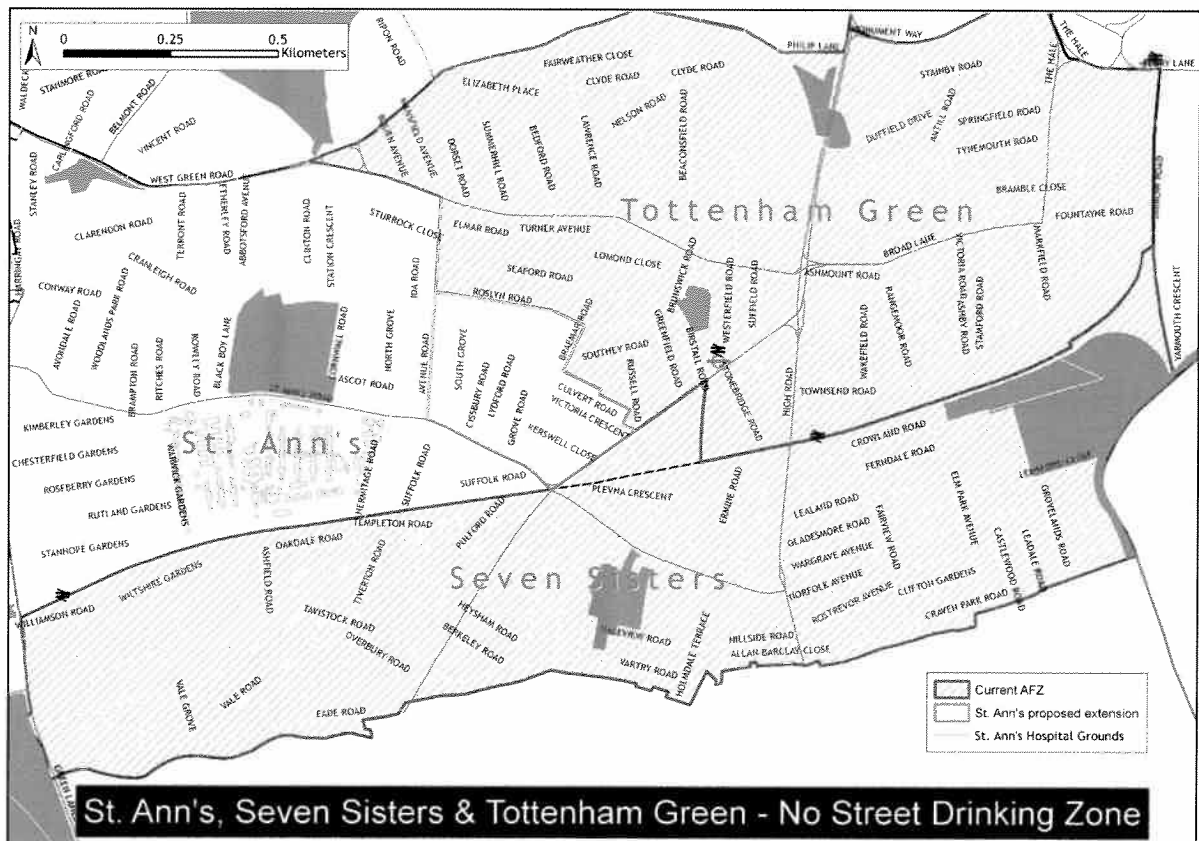
**St Ann's Ward**

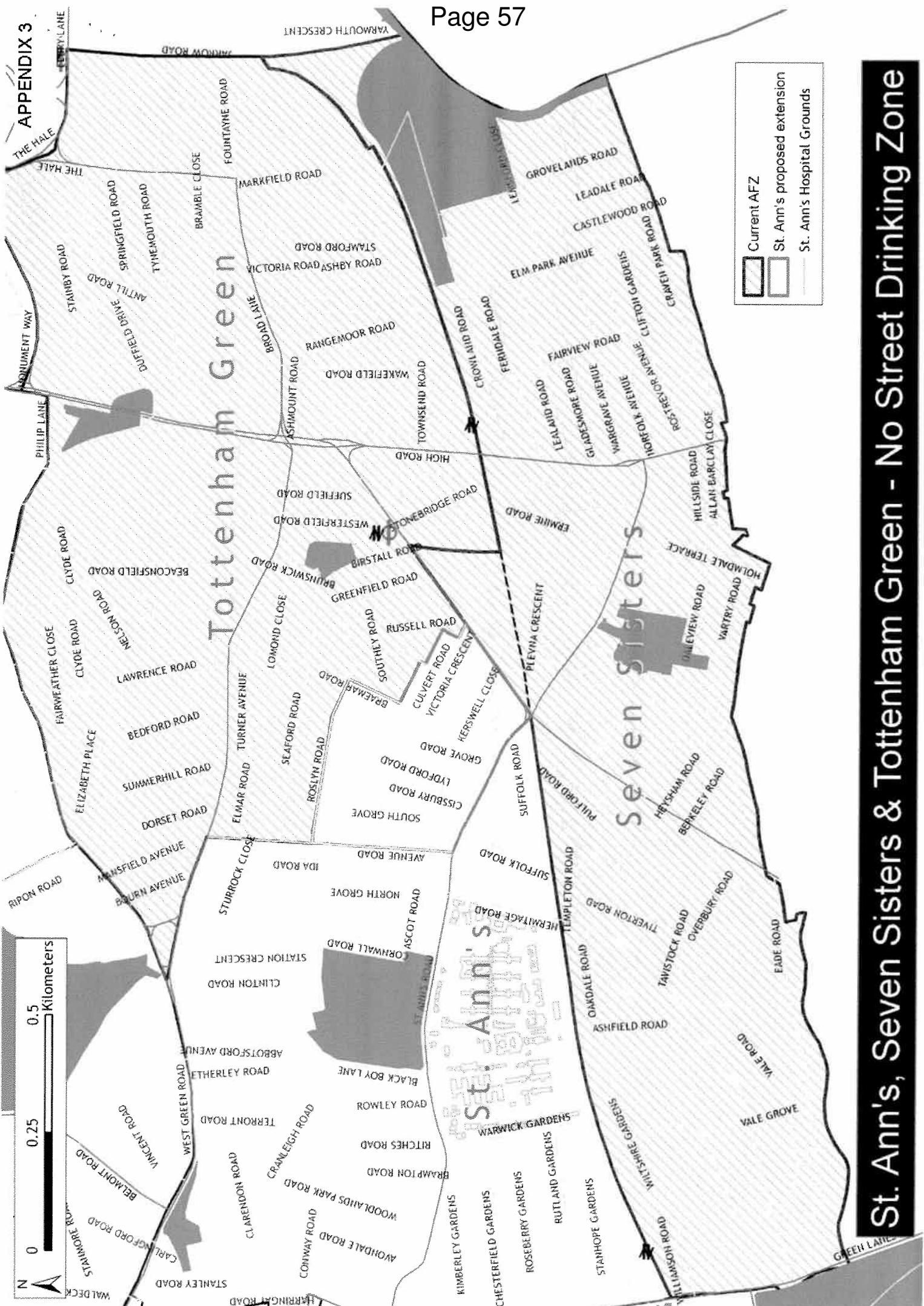
- **Public Highways**

AVENUE ROAD, BRAEMAR ROAD, CISSBURY ROAD, CULVERT ROAD, EDGEWATER GROVE, GROVE ROAD, KERSWELL CLOSE, LYDFORD ROAD, NEWSAM AVENUE, OULTON ROAD, ROSLYN ROAD, RUSSELL ROAD, SOUTH GROVE, VICTORIA CRESCENT

- **Public Rights of Way**

ALLEYWAY BETWEEN VICTORIA CRESCENT AND CULVERT ROAD





St. Ann's, Seven Sisters & Tottenham Green - No Street Drinking Zone


		COMMENTS ON THE PROPOSAL		
TOTAL NUMBER CONSULTED	60	YES	NO	MAYBE
TOTAL RESPONDANTS	6	6	0	0
PERCENTAGE OF RESPONDANTS	10%	10%	0	0
COMMENTS				
<p>Many thanks for your letter dated 22nd January. Through my work as the safer neighbourhood's sergeant for St Ann's ward responsible for the areas highlighted, I wholeheartedly support this application process. I firmly believe that the introduction of this power would provide not just my team, but police on the whole with a vital tool in tackling anti social behaviour linked to street drinking. As a team, we currently have a set priority linked to alcohol and anti social behaviour and so clearly this power would be a powerful tool in our arsenal to assist us meeting the expectations of the public, especially in the areas specified. Thank you for your continued support.</p> <p><b>Tim Hannah St Anns Safer Neighbourhood Sergeant</b></p> <p>Thank you for your letter dated 22nd January, I can confirm that I support this application process and would see the introduction of this power as a vital tool in tackling anti social behaviour linked to street drinking in the roads identified in the consultation documents you have sent me. In reaching my decision to support this application, I have sought the views of the local St Ann's Safer Neighbourhoods Team, who would be at the forefront in our use of these powers. This team currently have public set priorities linked to alcohol and anti social behaviour; this power would therefore further enhance their ability to tackle these important issues. Thank you for your continued support.</p> <p><b>Jon Williams Chief Inspector</b></p> <p>I am in agreement with the proposal and have no additional comments to add.</p> <p><b>Dave Grant</b> <b>Chief Superintendent</b></p> <p>Cllr Harris agrees, <b>Cllr Bob Harris</b></p> <p>I have lived in Edgocot since 1995 and the place is a good place to reside but, the problems we have been having for a number of years is the constant drinking of people and drunken behaviour is a huge problem. We are not able to use the local shops as the drunks are always there all day and into the evening. We have to put up with abuse and loud music with constant swearing from these men. I do hope that this matter can be resolved and it will send out a clear message that we as residents do not have to put up with sort of anti-social behaviour. A number of residents in this area are afraid to go out from midday onwards as the abuse starts to be a constant problem. Please enforce this no drinking ban as the police are doing all they can but the time has now come for action by the council. If there is any more information you need then please contact me.</p> <p><b>Yvonne Denny Edgocot Road Residents Association</b></p> <p>It is the opinion of my wife and I that the proposed extension of the street drinking zone into the St Ann's area (as indicated on the map) should go ahead. As residents of Edgocot Grove and committee members of the Edgocot Grove Residents Association we are particularly concerned about the area around the shops on the ground floor of our building. When we first moved here in September 2005 we noticed that a small group of men frequently congregated in front of the mini-market which includes an off licence. This group often had cans of drink held in paper bags so that passers-by couldn't clearly see them. We assumed they were alcoholic. The behaviour of the men seemed to us to indicate this.</p> <p>They often played very loud recorded music for many hours, sometimes well into the night, but no one appeared to be prepared to confront them. Our flat is well away from this area so the noise did not affect us. The men were never rude to us as senior citizens but young women were obviously embarrassed by their attention. Then one of the men (George Weeks) was given an anti-social behaviour order which prevented him from coming into the area. The rest of the group drifted away and we had a period when it was pleasant for anyone to go to the shops.</p> <p>That all changed when the order came to an end. The group then returned and the estate has been experiencing similar anti-social behaviour to before and the police do not have the means to control this situation. The degree of anti-social behaviour has decreased during the very cold weather for obvious reasons but we expect it will increase again as spring and summer arrive. Regarding the Residents' Association, my wife as the secretary has received numerous complaints which have been reported and must have played a part in this extension being requested. There are residents who will not let their teenage daughters use the front exit of the building unaccompanied, husbands who complain about the group's comments to their wives, and young women who 'hate living here' because of their suggestive and offensive language. We believe that a drinking prohibition will be helpful to the police in dealing with this situation. Please accept our apology for the delay in responding to your e-mail but our broad band has been out of action for a couple of days.</p> <p><b>Roy Goodhew &amp; Anne Goodhew</b></p>				



**Haringey** Council  
Agenda item:

**General Purposes Committee**

**On 29 March 2010**

Report Title.	<b>Treasury Management 4<sup>th</sup> Quarter Performance update for the period ending 31 March 2010</b>	
Report of:	<b>Chief Financial Officer</b>	
Signed :	 <b>Gerald Almeroth</b>	
Contact Officer :	<b>Kevin Bartle, Head of Corporate Finance</b> <b>Telephone 020 8489 3743</b>	
Wards(s) affected: <b>All</b>	Report for: <b>Non Key Decision</b>	
<b>1. Purpose of the report</b>		
1.1.	To update the committee on the Council's treasury management activities for the fourth quarter and period ending 31 March 2010.	
<b>2. Recommendations</b>		
2.1	That Members note the Treasury Management activity undertaken for the fourth quarter and period ending 31 March 2010.	
<b>3. Reason for recommendation(s)</b>		
3.1.	To ensure members are aware of the Treasury Management activities undertaken in the fourth quarter of 2009/10 and to report on performance.	

**4. Summary**

- 4.1. This report sets out the Council's Treasury Management activity and performance for the fourth quarter and period ending 31 March 2010.

**5. Head of Legal Services Comments**

- 5.1 The Head of Legal Services has been consulted on the content of this report and comments that the recommendations are within the policy agreed by Council and consistent with the purposes of Financial Regulations. In considering the recommendations Members must take into account the expert financial advice available in the report and any further advice given at the meeting of the Committee in relation to the level of risk inherent in the proposals.

**6. Use of appendices**

- Appendix A – Investments Performance Indicator.
- Appendix B – Interest Rate Outlook

**7. Local Government (Access to Information) Act 1985**

- 7.1 The following background papers were used in the preparation of this report:

- Financial Planning Report for 2010/11 to 2011/13 reported to Council and agreed on 22 February 2010.
- Reports to General Purposes Committee dated 7 July 2009, 22 October 2009 and 12 January 2010.

For access to the background papers or any further information please contact Kevin Bartle, Head of Corporate Finance, on 0208 489 3743.



**8. Performance Update – 4<sup>th</sup> Quarter and Period ending 31 March 2010**

8.1 At the last meeting of this Committee, Members were advised of a number of constitutional changes which became necessary following the revisions to CIPFA's Code of Practice on Treasury Management in December 2009. The Constitution Review Working Group has now endorsed the consequent constitutional changes, which have formalised the reporting process whereby this Committee receives quarterly reports on the implementation and regular monitoring of the treasury management policies and practices. The other constitutional changes relate to a scrutiny responsibility given to the Audit Committee and additional reporting to Council. This fourth quarter report outlines the Council's treasury management activity for the period ending 31 March 2010.

**9. Treasury Management Activities for the Quarter ending 31 March 2010**

9.1 As has been reported previously, in October 2008, the Chief Financial Officer undertook a risk assessment into the institutions holding council deposits, the results of which prompted a move to revise the Council's approved counterparty list.

9.2 In the Council's 2009/10 Treasury Management Strategy Statement (TMSS), investments in banks and building societies (on a term, at call or on a certificate of deposit basis) are limited to UK banks and building societies that have a minimum AA- long-term credit rating and F1+ short-term rating from the Fitch credit rating agency and are participants in the UK Government's Credit Guarantee Scheme. This currently limits activity to seven UK institutions all of which have maximum investment limits of £20m at group level and term durations of a maximum of 12 months.

9.3 Following a change in the requirements of the CIPFA Code, which were reported directly to the Audit Committee on 1 February 2010, following this Committee's endorsement of the proposed 2010/11 TMSS, recognition should now be given to the credit ratings of the three main agencies (Fitch, Moody's and Standard and Poor's) and decisions made on the basis of the lowest of these ratings. However, the Code recognises that credit ratings have limitations and should not be solely relied upon. Consequently further analysis should be undertaken into a range of other indicators as set out below.

9.4 In addition to the credit rating criteria adopted, a real time information monitoring process is maintained on the institutions included in the lending list by the Council's treasury advisors. This is obtained from a reliable source and includes, in addition to credit rating movements, all breaking news concerning relevant indicators including credit default swaps, share price movements, regulatory matters, government and parent guarantee facilities, corporate news etc. This information is evaluated by the treasury advisors and, if considered significant, communicated to Council officers. If the information obtained is negative and more likely to place Council funds in potential jeopardy, future dealing with the counterparty would be suspended with immediate effect.

9.5 After considering the credit ratings of the three agencies and assessing the other indicators referred to above, the current counterparty list containing the seven institutions is still considered to be safe and secure by both Arlingclose and Council officers and is retained in full in the recently approved 2010/11 TMSS as follows:

- Santander UK Plc (formerly known as Abbey)
- Lloyds TSB Bank Plc (Lloyds Banking Group)
- Bank of Scotland Plc (Lloyds Banking Group)
- Barclays
- Clydesdale
- Royal Bank of Scotland
- Nationwide Building Society

Future assessments of existing UK and potential UK counterparties will continue to be made based on the consideration of the range of indicators set out above. As agreed at the last meeting this assessment currently includes a detailed analysis of all UK building societies and a report on this matter will be submitted to a future meeting of the committee. The required amendments to reflect the change of methodology referred to in 9.3, 9.4 and 9.5 have been incorporated into the TMSS and were approved by the Council at its meeting on 22 February 2010.

9.6 The effect of adopting the current lending list is set out in Table 1 below which compares the investment portfolio reported by the Chief Financial Officer in October 2008 to the current portfolio profile at 15 March 2010 as follows:

**Table 1**

Institution	Value Oct 2008 £m	Maturity dates	Value 15 Mar 2010 £m	Maturity dates
UK Banks	1.5	Oct 08	36.3	Mar 10 – Apr 10
UK Building Societies	58.7	Oct 08 – Aug 09	9.4	Mar 10 – May 10
Irish Banks	61.1	Oct 08 – Jun 09	0	n/a
Irish Building Societies	12.0	Oct 08 – Feb 09	0	n/a
Other Non – UK Banks	23.4	Oct 08 – Nov 09	0	n/a
Money Market Funds	0		11.1	16 Mar 10
Debt Management Office	0		0	
<b>TOTAL</b>	<b>156.7</b>		<b>56.8</b>	

*Note:* This table includes Pension Fund but excludes Icelandic investments.

9.7 It can be seen from the table, the significant impact that the revisions to the TMSS has had. This includes eliminating the exposure to Irish building societies

and banks and other non-UK banks. In addition, investments in UK building societies have been reduced by £49.3m to £9.4m. These reductions have been matched by increases in the exposure to UK banks and money market funds. A list of all outstanding deposits is set out at Appendix A.

- 9.8 The security of investments remains the principal investment objective for this authority. Appendix A sets out a performance indicator, which has been developed in conjunction with the treasury management advisors, and provides a credit rating based objective scoring analysis.
- 9.9 The credit risk scores of 3.5 (value weighted average) and 4.2 (time weighted average) indicate a low level of security risk based on the methodology adopted by our treasury advisors as set out at the foot of the table as follows:

Above target (AAA to AA+, Score 0-2)  
 Target score (AA to A+, Score 3-5)  
 Below target (below A+, Score over 5)

**Credit risk scores 2009/2010**

	<b>1<sup>st</sup> quarter as at 30 Jun 09</b>	<b>2<sup>nd</sup> quarter as at 30 Sep 09</b>	<b>3<sup>rd</sup> quarter as at 31 Dec 09</b>	<b>4<sup>th</sup> quarter as at 31 Mar 10</b>
Value Weighted	4.3	3.5	3.5	3.5
Time Weighted	4.3	4.0	4.0	4.2

- 9.10 On this basis, Haringey is within the target range. The scores achieved in this quarter are broadly similar to those reported in quarters 2 and 3 but show an improvement over those reported in quarter 1 of 4.3 and 4.3 respectively.
- 9.11 Although the Council has adopted a more prudent stance in respect of the treasury management function it has still been possible to out perform the investment performance indicator over the eleven months (ended February) of 2009/10 as follows:

Target: 0.5% above Base Rate  
 Actual Investment performance: 0.5397% above Base Rate

**Interest Rate Outlook**

- 9.12 The TMSS is predicated on interest rate forecasts provided by the Council's Treasury Management advisors, Arlingclose. The latest forecast compared to the version used in the estimates is shown as Appendix B. It can be seen that the base rate is now forecast to remain constant at 0.5% until September 2010 but could rise by a series of phased increases to 3% by March 2013. The interest rate outlook is important because it affects borrowing decisions and the term of future investments and hence the capacity to maximise interest earned.

The Council would not, for example, want to invest for periods in excess 12 months given that the rates are likely to increase in the medium term.

### **Interest Earned in the year ending 31 March 2010**

9.13 The interest earnings in the fourth quarter are forecast to amount to £0.042m, making £1.335m for the year to date. The budget for investment income in 2009/10 is £2 million. The shortfall of £0.665m (compared to the estimate of £2m) is due to the pattern of investment replacement, i.e. new deposits are being made at lower rates than those maturing and capital expenditure which is currently being financed by revenue balances pending long-term borrowing. It should be noted, however, that this shortfall is offset by a reduction in borrowing costs in year resulting from the non-replacement of a long term loan.

### **10. Icelandic Investments**

10.1 The administration process for the Icelandic banks in which Council deposits are held is continuing. It has already been reported to the Committee that two interim payments have been received in respect of Heritable Bank amounting to £5,726,195.44 (equivalent to circa 29p in the pound of the deposits with that bank). The position with investments in respect of those held in Glitnir Bank has changed in that the Glitnir Winding Up Board recently decided not to allow priority status to local authorities' deposit claims. A formal legal objection to this decision has been filed. The Council has £2m deposits in Glitnir. Further information will be provided to Cabinet once the position is clearer. The position in relation to Landsbanki Bank remains unchanged.

10.2 The government has issued a regulation to allow authorities to defer accounting for the net loss until 2010/11. The latest estimate of the impairment to be charged to the Council's accounts assumes an estimated recovery of 83.3% of the total capital sum invested in all Council Icelandic investments; this amounts to £6.2m.

10.3 However, CLG subsequently advised that Authorities could request permission to capitalise the impairment that would result from the Icelandic investments by mid-December. The Council's application for permission to capitalise costs of £11.1m was successful which means that the loss may now be financed over a period of 20 years from 2009/10.

10.4 The Council has received offers of interest from two companies specialising in buying the claims in respect of the Icelandic investments. Further offers are anticipated as the administration process continues. It is not unusual in insolvency processes such as this for financial institutions to seek to purchase other organisations debts.

10.5 Council officers will, in conjunction with the Council's treasury advisors and administrators of the Icelandic banks, weigh up the relative recoveries expected from selling the claims or retaining them until the administration process is complete. The committee will be kept informed of developments.

11. **Borrowing from the Public Works Loan Board (PWLB)**

11.1 It has been previously reported that in order to reduce treasury risk, internal balances have been used to provide interim financing for the capital programme and for repaying £17.8m of maturing PWLB debt. Clearly a continuation of internal borrowing cannot be sustained as a long-term strategy and following discussion with Arlingclose it has been decided that, based on the forecast pattern of cash flow, an immediate borrowing of £20m is suggested.

11.2 Consequently, in accordance with his delegated authority, the Chief Financial Officer has drawn down a loan from the PWLB on the following terms;

- £20m variable
- 10 year loan with interest fixed at six monthly intervals (currently 0.70% p.a.)
- repayable by equal instalments of principal.

The reasons for opting for this method of borrowing are:

- Equal instalments of principal will enable a smooth maturity profile to be established over the period of the loan.
- Temporary investments arising from short-term surplus cash will avoid the 'cost of carry' as borrowing and lending rates match.
- Should the yield curve steepen, the variable rate loan can be converted to a favourable fixed rate of interest thus avoiding future rate rises.

11.3 A long-term strategy for 2010/11 is currently being discussed with Arlingclose and this will be reported at the next meeting. The long-term strategy will incorporate capital expenditure forecasts, the pattern of future PWLB loan redemptions, modes of borrowing and forecasts of short-term and long-term interest rates.

12. **Recommendation**

12.1 That Members note the Treasury Management activity undertaken for the fourth quarter and period ending 31 March 2010.



## APPENDIX A

Investments at: Institution	16/03/2010 Principal	Effective Maturity	Days to Maturity	Rate	Moohey's Credit Rating (source Bloomberg)	Fitch Credit Rating (source Bloomberg)	S&P Credit Rating (source Bloomberg)	Lowest Credit Rating (equivalent rating/ source Bloomberg)	Average Credit Risk Score	Type of investment
Santander UK PLC	£3,022,000.00	17/03/2010	1	0.80%	Aa3	AA-	AA	AA-	3.7	Call Account
Santander UK PLC	£1,018,000.00	17/03/2010	1	0.80%	Aa3	AA-	AA	AA-	3.7	Call Account
Santander UK PLC	£9,711,000.00	17/03/2010	1	0.80%	Aa3	AA-	AA	AA-	3.7	Call Account
Santander UK PLC	£3,054,413.00	17/03/2010	1	0.80%	Aa3	AA-	AA	AA-	3.7	Call Account
Lloyds TSB	£5,000,000.00	06/04/2010	21	1.32%	Aa3	AA-	A+	A+	4.3	Fixed Deposit
Lloyds TSB	£5,000,000.00	30/04/2010	45	1.33%	Aa3	AA-	A+	A+	4.3	Fixed Deposit
Lloyds TSB	£5,000,000.00	06/04/2010	21	0.50%	Aa3	AA-	A+	A+	4.3	Fixed Deposit
Barclays Bank	£4,524,000.00	29/04/2010	44	0.53%	Aa3	AA-	A+	AA-	4.0	Fixed Deposit
Nationwide Building Society	£6,100,000.00	10/05/2010	55	0.67%	Aa3	AA-	A+	A+	4.3	Fixed Deposit
Nationwide Building Society	£3,252,346.00	06/04/2010	21	0.40%	Aa3	AA-	A+	A+	4.3	Fixed Deposit
Goldman Sachs	£4,100,000.00	17/03/2010	1	0.50%	Aaa	AAA	AAA	AAA	1.0	Money Market Fund
Goldman Sachs	£767,854.00	17/03/2010	1	0.50%	Aaa	AAA	AAA	AAA	3.0	Money Market Fund
Goldman Sachs	£1,153,050.00	17/03/2010	1	0.50%	Aaa	AAA	AAA	AAA	1.0	Money Market Fund
Goldman Sachs	£5,132,863.00	17/03/2010	1	0.50%	Aaa	AAA	AAA	AAA	1.0	Money Market Fund
<b>Total</b>	<b>£ 96,855,576</b>			<b>0.749%</b>						
Number of deposits	14									
Value Weighted Average	£ 4,059,680								<b>3.5</b>	
Time Weighted Average			19						<b>4.2</b>	

Credit risk scored 1 - 10 : 1 = strongest rating lowest risk, i.e. AAA, through to 15 = lowest credit rating, highest risk, i.e. D

Non-rated, non-guaranteed institutions score 11

Above target (AAA to AA+ Score 0-2)

Target (AA to A= Score 3-5)

Anything less than A+, Score above 5

On this basis Haringey is in the middle of its target range

CONFIDENTIAL: This communication is solely for the use of Arlingclose Professional Clients and not for circulation without prior written permission

## Economic and Interest Rate Forecast – March 2010

### Underlying assumptions:

- The Bank of England paused its Quantitative Easing (QE) program in January having purchased £200bn of assets to insure against the downside risks to growth. We estimate that QE has depressed gilt yields by around 70bps (0.7%).
- The Bank's February Inflation Report forecasts a slow recovery with an uncertain outlook for corporate and consumer spending. UK growth (GDP) rose by a revised 0.3% in Q4 2009, much of this impetus from government spending. Q1 growth is looking fragile.
- Looming bank regulation, including liquidity and capital requirements, will curb bank lending activity. The Bank retains the option to reduce the rate on commercial banks' deposits to encourage them to lend. But FSA regulations will force banks to buy more Gilts which could help slow the rise in yields in 2010/11, a QE by proxy.
- The employment outlook remains uncertain. Pay freezes, short hours, job cuts and a migration toward part time employment will continue into 2010 keeping the headline unemployment number down, but aggregate earnings too.
- Recent increases in the savings ratio, reduction in net consumer credit and weak consumer confidence are consistent with a lower future trend rate of growth.
- Commodity prices and VAT reverting to 17.5% have pushed inflation to 3.5%, prompting a letter from the Bank's Governor to the Chancellor. We believe that inflation will rise further, before moderating in the second half of the year.
- The UK fiscal deficit remains acute. Cuts in public spending and tax increases are now inevitable and a credible plan to reduce the deficit is urgently required, the absence of which increases the potential of a sovereign downgrade. The likelihood of a hung parliament has grown and this has and will be disruptive to financial markets.
- All this at a time when the markets are being asked to absorb unprecedented levels of government debt.
- The US Federal Reserve will maintain rates at low levels but begin to withdraw the additional liquidity and stimulus provided during the financial crisis.
- One benefit of the current weakness of Sterling may be that the UK's export economy might enjoy a boost, however our trading partners are also suffering low demand.

Official Bank Rate	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13
Upside risk		+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	0.50	0.50	0.75	1.00	1.50	2.00	2.50	2.75	3.00	3.00	3.00	3.00
Downside risk		-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
1-yr LIBID												
Upside risk		+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	1.25	1.50	1.75	2.25	3.00	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Downside risk		-0.25	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5-yr gilt												
Upside risk	+0.25	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	2.80	2.90	3.00	3.25	3.50	3.75	4.00	4.25	4.25	4.25	4.25	4.25
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt												
Upside risk	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25
Central case	4.00	4.00	4.00	4.25	4.25	4.50	4.50	4.75	5.00	5.00	5.00	5.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt												
Upside risk	+0.50	+0.50	+0.50	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.25	+0.50
Central case	4.60	4.75	4.75	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt												
Upside risk	+0.25	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50	+0.50
Central case	4.50	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.75	5.00	5.00	4.75
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

- The recovery in growth is likely to be slow and uneven, more "w" than "v" shaped. The Bank of England will stick to its lower-for-longer stance on policy rates.
- Gilt yields will remain volatile. Yields were compressed by Quantitative Easing and will rise as the markets grapple with the wall of gilt supply in 2010 and 2011. FSA regulations forcing banks to buy gilts will initially slow this increase in yields.
- The path of base rates reflects the fragile state of the recovering economy and the severe fiscal correction that will be required post General Election which will dampen aggregate demand and cut household cashflow. Expectations of central bank exit strategies and their timing will increase volatility in sovereign bond yields and equities.
- There are significant threats to the forecast from potential downgrades to sovereign ratings and/or political instability.







Haringey Council

Agenda Item

<b>General Purposes Committee</b>	<b>On 29 March 2010</b>
-----------------------------------	-------------------------

Report title: <b>Accounting Policies and Accounts 2009/10</b>	
Report of: <b>Chief Financial Officer</b>	
Ward(s) affected: All	Report for: Decision
<b>1. Purpose</b>  1.1 To request approval for amendments to the accounting policies that are being used for the closure of the Council's accounts for 2009/10.	
<b>2. Recommendation</b>  2.1 That the Committee approves the amendments made to the attached accounting policies to be used for the closure of the Council's accounts for 2009/10.	
Report authorised by: <b>Gerald Almeroth – Chief Financial Officer</b>  <div style="text-align: center;">  </div>	
Contact officer: <b>Kevin Bartle – Head of Corporate Finance</b> Telephone 020 8489 3743	
<b>3. Executive Summary</b>  3.1 Under the Council's constitution, the General Purposes committee has a role to approve statements under The Accounts and Audit Regulations 1996.  3.2 The accounting policies to be applied in preparing the Statement of Accounts 2009/10	

are detailed in this report.

- 3.3 The main changes proposed to policies for 2009/10 are in relation to new accounting standards for PFI schemes and service concessions.
- 3.4 The other changes proposed have been made to further clarify the existing policies for the reader of the accounts.

#### **4. Reasons for any change in policy or for new policy development (if applicable)**

- 4.1 The CIPFA Code of Practice on Local Authority Accounting for 2009 has introduced new accounting standards to be applied to PFI schemes and service concessions.

#### **5. Local Government (Access to Information) Act 1985**

##### **The following background papers were used in the preparation of this report:**

Code of Practice on Local Authority Accounting in the United Kingdom 2009 – A Statement of Recommended Practice (SORP) – (CIPFA Publication)

Local Government Finance Act 1992

Local Government Act 2003

#### **6. Background**

- 6.1 The Council is required to produce an annual statement of accounts which set out the financial statements for the Council and the Pensions Fund and are prepared in accordance with the Accounting Code of Practice in Great Britain (ACOP) and the Best Value Accounting Code of Practice (BVACOP). These codes are incorporated into a Statement of Recommended Practice (SORP) which details how the accounting policies need to be applied and is the benchmark against which the accounts are audited.
- 6.2 A key part of the production of the accounts of the Authority is ensuring that accounting policies are applied in the most appropriate manner. The accounting policies that are to be applied are found in the attached appendix.
- 6.3 The General Purposes Committee has a role to approve statements under The Accounts and Audit Regulations 1996. Accounting policies are the principles, bases, conventions, rules and practices applied by an authority that specify how the effects of transactions and other events are to be reflected in those financial statements.
- 6.4 The accounting policies are to be used as part of the year end process to close the accounts of the Council.

- 6.5 The Council's internal audit function and external auditors Grant Thornton have both given assurances that the Council has correctly applied appropriate accounting policies in relation to previous years. Issues of clarification raised by Grant Thornton to assist the reader of the accounts have been incorporated into these policies.

## **7. Accounting Policies**

- 7.1 For 2009/10 there have been only two major changes to the accounting policies as a result of changes to accounting regulations:

(a) the requirement to account for Private Finance Initiatives and similar arrangements by applying accounting standard IFRIC 12 (International Financial Reporting Interpretations Committee). This standard will require most Councils to bring their PFI schemes on balance sheet. Haringey's PFI scheme is currently suspended and the assets and liabilities were brought onto balance sheet in 2008/09. Consequently it is believed that this new standard will have no impact on Haringey's Statement of Accounts in 2009/10;

(b) the requirement to account for the income collected for Council Tax on an accruals basis in the Income and Expenditure Statement and to hold a debtor or creditor in the balance sheet for Non-National Domestic Rates.

Otherwise the accounting policies being used in 2009/10 are substantially the same as in 2008/09.

- 7.2 Other changes to the wording of the policies have been made in order to improve the overall disclosure and understanding for the reader.
- 7.3 The accounting policies and their application are reviewed every year by the Council's external auditors; Grant Thornton, as part of the annual audit. In 2008/09 they undertook a review of the policies but did not raise any major issues within their annual report (ISA260) to the Council.

## **8. Recommendation**

- 8.1 That the Committee approves the amendments made to the attached accounting policies to be used in the closure of the Council's accounts for 2009/10.

*(New text shown in italics)*

## **Statement of Accounting Policies**

The accounting policies set out below apply to the Financial Statements of the Authority and the Pension Fund.

### **General Principle**

The accounts are prepared in accordance with the Accounting Code of Practice on Local Authority Accounting in Great Britain (ACOP) and the Best Value Accounting Code of Practice (BVACOP), as published by the Chartered Institute of Public Finance and Accountancy (CIPFA). These codes have been approved as a Statement of Recommended Practice (SORP). Details of the Pension Fund and accounting policies used can be found in section 5 of these accounts.

*The Accounts have been prepared under the historic cost convention except for certain categories of fixed assets and financial instruments in accordance with the SORP.*

### **Accruals of Income and Expenditure**

The Council's accounts are prepared on an accruals basis in that, income and expenditure is accounted for in the year in which it arises, by the creation of material debtors and creditors, including estimates where appropriate.

### **Council Tax**

*The Council Tax income included in the Income and Expenditure Account for the year is the accrued income for the year due to the Council. The difference between the income included in the Income and Expenditure Account and the amount required by regulation to be credited to the General Fund shall be taken to the Collection Fund Adjustment Account and included as a reconciling item in the Statement of Movement on the General Fund Balance.*

### **National Non-Domestic Rates**

*A debtor or creditor is recognised in the Balance Sheet in respect of the amount of cash collected from NNDR taxpayers (less the amount retained in respect of billing authority's cost of collection allowance in England and Wales) that has not yet been paid to the Government or has been overpaid to the Government on the Balance Sheet date.*

### **Treatment of Debtors**

The Authority undertakes to recover all outstanding debts. However, where doubts exist over the recoverability of these debts a provision is made. Once a debt is deemed irrecoverable it is written off.

## **Government Grants and Other Contributions**

Government grants and other contributions are accounted for on the accruals basis and in accordance with the matching principle. This means that income must be matched to its corresponding expenditure and will therefore remain on the balance sheet as a liability until the equivalent expenditure is incurred. They are shown in the accounting statements when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution is to be received.

Grants and contributions relating to fixed assets are credited to the Government Grants Deferred Account and released to the revenue account in line with depreciation. Where a grant is not associated with a specific asset it is written-down to the income and expenditure account in the year of use.

## **Cost of Support Services**

The cost of support functions have been allocated to services on a variety of bases, reflecting the level of work provided by these support functions.

## **Lease arrangements**

Finance Leases – Under the Statement of Standard Accounting Practice (SSAP) 21, assets acquired under finance leases are treated as being in the ownership of the lessee. Therefore the outstanding liability of the Council is recorded on the balance sheet as a capital sum outstanding and written down every year, over the life of the lease, with the annual interest element being charged to the Council's revenue account.

Operating Leases - Rentals payable under operating leases are charged to revenue on an accruals basis and on a straight-line basis.

## **Private Finance Initiative**

The Council has a PFI financing arrangement for its secondary schools. The contract terms changed in February 2007 at which point the arrangement with the contractor was considered against Treasury Task Force guidance and the accounting standards in force at the time. *This arrangement has been reviewed under IFRIC 12 Service Concession Arrangements.* The ownership of these assets are with the Council and therefore they are contained within the balance sheet and valued in accordance with the fixed assets accounting policies.

In addition the total value of the liability that is due to the PFI partner is contained on the balance sheet and is written down each year as payment is made. This liability is split between a long-term liability and short term creditor, for the sum due within the next 12 months. The interest payable each year is charged against the "Interest payable and other similar charges" line on the face of the income and expenditure account. The principal repayment due under the contract is accounted for within the Statutory provision for the repayment of debt (known as Minimum Revenue Provision) and is funded by the PFI grant given each year by the government.

## **Valuation of Stock**

Stocks have been valued at net current replacement value. This is not compliant with SSAP 9 which states stock should be valued at the lower of cost and net realisable value. The divergence from normal accounting standards is due to the minimal levels of stock held and the additional costs involved with full compliance.

## **Capital Receipts**

These arise from the sale of long-term assets. The receipts arising from the sale of General Fund assets are 100% usable by the Authority on capital expenditure. For the sale of HRA assets the Local Government and Housing Act 1989 requires those generated from the sale of council housing to be split between a retained and usable element of 25% and a pooled element that is paid across to the government of 75%, any receipts generated from the sale of other housing land and buildings are split 50%/50%. The usable part is used to finance capital expenditure.

## **Deferred Capital Receipts**

When the Authority disposes of long-term assets such as council dwellings and advances a mortgage to the purchaser, the mortgage is shown in the balance sheet as a long-term debt and an equal amount is shown as a deferred capital receipt. The long-term debt and deferred capital receipt are both written down as the principal is repaid by mortgagees.

## **Capital Expenditure**

Expenditure is charged to capital where it meets the definition of capital as per the SORP and is greater than £10,000. This includes staffing costs where they are directly attributable to a capital project, e.g. architects costs, and non-enhancing expenditure where it is being directly used to maintain the value of the asset and ensuring it remains fit for purpose. Any non-enhancing capital expenditure is written down to the income and expenditure account in the year it is incurred and this is then reversed out through the Statement of Movement on the General Fund Balance into the capital adjustment account (CAA).

## **Fixed Assets**

Fixed assets are included in the Balance Sheet on the following basis:

- (a) specialist operational land and properties are valued based on depreciated replacement cost (DRC), and non-specialist land and properties are valued based on DRC, existing use or market value as appropriate;
- (b) council housing is valued at existing use valuation (EUV) and then has a social housing percentage applied to arrive at the valuation;
- (c) non-operational assets in the form of investment properties and surplus assets are valued on the basis of their open market value with other non-operational assets valued at net current replacement value;

- (d) infrastructure assets are included in the balance sheet at historical cost basis net of depreciation;
- (e) community assets such as parks are recorded at a nominal value; and
- (f) intangible assets are valued at cost and amortised over their lifetime, normally 5 years.

All valuations are subject to review as part of a five year rolling programme.

### **Impairment of Fixed Assets**

The Authority has a process for identifying impairments that have incurred on fixed assets, and have applied this in accordance with Financial Reporting Standard (FRS) 11. *Impairments where there is evidence of obsolescence or physical damage e.g. where fire damage has occurred to an asset resulting in a reduced valuation, are charged to the Income and Expenditure Account and then reversed out via a reconciling item in the Statement of Movement of the General Fund balance. Other impairments are first recognised in the Statement of Total Recognised Gains and Losses until the asset's carrying amount reaches its depreciated historical cost and taken to the Revaluation Reserve; and thereafter in the Income and Expenditure Account.*

### **Revenue Expenditure Funded from Capital Under Statute (formerly Deferred Charges)**

Expenditure *treated as capital by virtue of a capitalisation direction* or on assets that do not belong to the Authority, for example improvement grants, which still falls within the definition of capital expenditure are referred to as revenue expenditure funded from capital under statute. The treatment of these costs is:

- (a) expenditure recorded in the balance sheet is written out to the income and expenditure account in the year in which the expenditure is incurred and then reversed through the Statement of Movement in General Fund Balances;
- (b) financing costs for revenue expenditure funded from capital under statute are accounted for corporately after net expenditure has been disclosed; and
- (c) no asset is shown within the Authority's balance sheet.

### **Depreciation**

The value of assets is written out to revenue, in the form of a depreciation charge, using the straight-line method over the following periods:

Vehicles Plant & Equipment	- 5 years
Infrastructure	- 30 years
Buildings	- 20 to 60 years
<i>Council Dwellings</i>	- <i>20 to 60 years</i>
Intangibles	- Amortised over 5 years

Depreciation is charged on all assets except non-operational investment assets, community assets and surplus assets, held for disposal. For community assets and awaiting disposal assets this is a departure from the SORP as the amounts involved are deemed to be immaterial. Newly acquired assets are not depreciated in the year

of acquisition and assets in the course of construction are not depreciated until they are brought into use. Depreciation is calculated on the opening balance of an asset and any revaluation is done as at the 31 March and will only be taken into account for depreciation purposes in the following year.

When assets are revalued the accumulated depreciation to date is written out of the balance sheet to the revaluation reserve.

### **Asset Disposals**

*The gain or loss on disposal of a tangible fixed asset is the amount by which the disposal proceeds are more (gain) or less (loss) than the carrying amount of the fixed asset. This amount is credited (gain) or charged (loss) to the Income and Expenditure account. Its impact is reversed out as a reconciling item in the Statement of Movement on the General Fund Balance.*

Where an asset disposal has occurred the cumulative depreciation is written down in the year of disposal.

### **Minimum Revenue Provision**

In accordance with the requirements of the Local Government and Housing Act 1989, and revised guidance contained within the prudential code, the Authority has set aside a minimum revenue provision for repayment of debt. *For capital expenditure incurred before 1 April 2008 and for supported capital expenditure after this date, this is 4% of the Council's capital financing requirement for the General Fund (Option 1 of CLG Guidance). For unsupported capital expenditure after 1 April 2008, MRP is linked to the life of the asset for which borrowing is undertaken (Option 3 of CLG Guidance).* In addition the Authority has set aside additional provision to cover debt repayments where it is deemed more prudent to set aside over a shorter period of time.

### **Provisions**

The Authority has made a number of provisions for liabilities that are probable to occur, but the timing or amounts are uncertain. These are detailed in the provisions note and have been applied in accordance with Financial Reporting Standard (FRS) 12. *Provisions are recognised when the Authority has a present obligation as a result of a past event which can be reliably estimated and it is probable a financial settlement will be required. Provisions are reviewed at the end of each financial year. Additions are made from the appropriate revenue account and released back to the same revenue account if no longer required.*

### **Reserves**

A reserve contains funds that have been set aside for a future earmarked purpose that may arise. Expenditure is charged to revenue or capital and not directly to any reserve. For each reserve established, the purpose, usage and basis of transactions are identified in the notes to the Authority's financial statements. *The capital receipts*



*reserve is not available for revenue purposes. Some of the reserves can only be used for specific statutory purposes.*

The general fund reserve is not earmarked and is to allow for any future unknown contingencies that may arise. This reserve is set by the Chief Financial Officer at what is deemed to be a prudent level and in accordance with the reserves policy agreed at Full Council.

## **Pension Costs**

Under Financial Reporting Standard 17 (FRS 17) the Council is required to account for retirement benefits when it is committed to pay them, even if the actual payment will be many years into the future. In line with the requirements of the SORP the Council's actuary uses the AA Corporate Bond rate (6.9% for 2008/09) to calculate future liabilities.

### **▪ Classification of Schemes**

The Council participates in two different pension schemes, one for teachers, an unfunded scheme administered by the Department for Children Schools and Families (DCSF) and the Local Government Pension Scheme for other staff. The schemes provide members with a defined benefit pension related to pay and service. For the purposes of FRS17 pension schemes are classified into two categories, defined benefit or defined contribution. The Haringey scheme is classified as defined benefit. The teachers' schemes of the DCSF, although a defined benefit scheme, is treated as defined contribution scheme because it does not allow the allocation of its liabilities and assets consistently and reliably to participant authorities.

### **▪ Pension Reserve**

The pension reserve is the financial accounting mechanism to ensure that FRS17 has no impact on council tax. The cost of providing pensions for employees is funded in accordance with the statutory requirements governing the scheme. Where the payments made for the year do not match the change in the Authority's recognised asset or liability for the same period, the recognised cost of pensions will not match the amount required to be raised in taxation. This difference is removed by an appropriation to or from the pension's reserve, which equals the net change in the pension's liability recognised in the Income and Expenditure Account.

### **▪ Defined Benefit Schemes**

The attributable assets of the scheme are measured at fair value and include current assets and investments. The attributable liabilities are measured on an actuarial basis using the projected unit method. Scheme liabilities are discounted at the AA Corporate Bond Rate. The surplus or deficit in the scheme is the excess or shortfall of the value of the assets in the scheme above or below the present value of the scheme liabilities. The change in the defined benefit asset or liability is shown in the STRGL and analysed into the following components, current service costs, interest cost, expected return on assets and actuarial gains and losses, past service costs and gains and losses on settlements and curtailments.

### **▪ Defined Contribution Schemes**

The teachers' pension scheme, whilst being a defined benefit scheme is treated as a defined contribution scheme as explained above. This means that the pension

costs reported for any year are equal to the contributions payable for the scheme for the same period. The costs are recognised within net cost of services.

▪ **Pensions**

Further information on pension costs and the pension fund appear in the individual statements within the accounts.

**Value Added Tax**

VAT is included within the accounts only where it is irrecoverable. Any recoverable amounts due from HMRC are included in the balance sheet as a debtor.

**Contingent Liability or Asset**

Where the Authority has a potential future liability, or a potential future gain, but cannot say with any certainty whether it will come about or the value of this liability, it is disclosed by way of a note to the accounts.

**Associated and Subsidiary Companies (FRS2)**

The Authority has a financial relationship with a number of companies. Details are contained in the notes to the Authority's Financial Statements. The SORP requires authorities to produce group accounts where group relationships occur with associated and subsidiary companies. All the companies with which Haringey has a relationship have been assessed against the group account requirements and only Homes for Haringey is deemed to be within the Haringey group. Homes for Haringey Ltd is a wholly owned subsidiary and therefore group accounts have been prepared in accordance with the accounting standards. These have been produced using the acquisition method and all intra-group transactions have been removed.

**Exceptional items, extraordinary items and prior period adjustments**

Where applicable and relevant, exceptional items and extraordinary items are disclosed in the income and expenditure account with full supporting notes. The majority of prior period adjustments arise from corrections and adjustments and are accounted for in the year they are identified.

Material adjustments applicable to prior years arising from changes in accounting policy or correction of fundamental errors are accounted for by restating comparative figures for the preceding year in the statement of accounts and notes and adjusting the opening balance of reserves for the cumulative effect. More details and full explanations are given in the individual relevant financial statements where these occur.

**Post balance sheet events**

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements were authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the balance sheet date (adjusting events after the balance sheet date); and
- those that are indicative of conditions that arose after the balance sheet date (non-adjusting events after the balance sheet date).

### **Financial Instruments**

These are categorised as either financial assets or financial liabilities, which the accounting policies for both are stated below.

#### **Financial Assets**

Financial assets are divided into the following categories: loans and receivables; financial assets at fair value through profit or loss; available-for-sale financial assets; and held-to-maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available. The Council only holds loans and receivables.

All financial assets are recognised when an entity becomes a party to the contractual provisions of the instrument. These assets are initially recognised at amortised cost on the balance sheet.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade debtors, long term borrowing and cash are classified as loans and receivables. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income and expenditure account.

Provision against trade debtors is made when there is objective evidence that the group/company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

#### **Financial liabilities**

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the group/company becomes a party to the contractual provisions of the instrument. Financial liabilities categorised as at fair value through profit or loss are recorded initially at fair value, all transaction costs are recognised immediately in the income and expenditure account. All other financial liabilities are recorded initially at fair value, net of direct issue costs. Liabilities valued on an amortised costs basis are done so using the effective interest rate (EIR) method.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is exempt

This page is intentionally left blank