

**COUNCIL
9 JULY 2020**

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: VOLUNTARY REDUNDANCY

REPORT OF THE CHIEF EXECUTIVE

EXECUTIVE MEMBER: COUNCILLOR MARTIN STEARS- HANDSCOMB

COUNCIL PRIORITY: ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

- 1.1. To seek the approval of the Council for a voluntary redundancy, where the cost exceeds the threshold of £100,000 as set out in the Pay Policy Statement.

2. RECOMMENDATIONS

- 2.1. That Council approves the proposed voluntary redundancy the details of which are presented in the Part II Report.
- 2.2. That Council approves the use of the Special Reserve to fund the redundancy costs.

3. REASONS FOR RECOMMENDATIONS

- 3.1. To meet the financial challenges to the Council in light of reducing Government support and assist in meeting the budgetary requirements in the long term.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Alternative options are detailed in the Part II report.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

Consultation has taken place with the affected member of staff in accordance with the Council's Reorganisation Policy.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. When the budget was set for 2020/21 and beyond it was estimated that the Council will need to deliver £1.35m of annual savings by the year 2023/4. This was based on levels of funding beyond this year being very uncertain and subject to a change to Business Rate retention, a new funding formula and the Comprehensive Spending Review. The impacts of the Covid-19 pandemic will mean that changes to funding will not be implemented until 2022/23, it is very likely that the Council will need to fund a significant proportion of the current year impact and there may be ongoing financial impacts. Overall there is an even greater need to identify ongoing reductions in the Council's expenditure.
- 7.2. The Council's Reorganisation Policy sets out the approach to restructure arrangements and includes a strong emphasis on seeking to avoid compulsory redundancies. The Council's approach to voluntary redundancy arrangements are set out in the policy.
- 7.3. The Authorisation arrangements for terminating employment are set out on the Constitution and, with the exception of Statutory Officers (Head of Paid Service, S151 Officer and Monitoring Officer) such matters fall to the Head of Paid Service. However the Council's adopted Pay Policy Statement requires Council to approve any related settlement package where the total cost to the Council exceeds £100,000 (which includes both severance payment and employer's liability for pension strain or other costs). In this case the total contractual payments including employer costs exceed £100,000. In the instance of the case set out in the Part 2 report the total cost would exceed £100,000 however it also provides significant ongoing savings.

8. RELEVANT CONSIDERATIONS

- 8.1. These are set out in the Part II Report.

9. LEGAL IMPLICATIONS

- 9.1. The Localism Act 2011 introduced the requirement for Local Authorities to agree and publish an annual Pay Policy Statement commencing 2012/13. The Department for Communities and Local Government (DCLG) also published supplementary statutory guidance '*Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011*'¹ and authorities must have due regard to this when preparing their Pay Policy Statements. This DCLG guidance provides that Full Council should be asked to determine whether it wishes to vote on any remuneration package or payment on termination of employment that amounts to £100,000 or greater. This provision has been included in the Pay Policy Statement approved by Members.
- 9.2. Full Council also has remit under 4.4.1 (aa) for "*agreeing any award which would exceed the financial limits set out in the Council's Pay Policy Statement.*"

¹ [Openness and accountability in local pay: guidance under section 40 of the Localism Act](#)

- 9.3 Otherwise, the Council is bound by the terms of individual contracts with employees and employment law. The proposed course of action set out in this report accords with the Council's employment policies and those contracts.

10. FINANCIAL IMPLICATIONS

- 10.1. The financial implications are considered in full in the Part II Report.

11. RISK IMPLICATIONS

- 11.1. There are risks associated with any organisation change and it is a matter of weighing up any short term risk (in terms of knowledge/skills loss) with the longer term financial and organisational opportunities that such a change offers.
- 11.2. The provision of settlement agreements manages any potential future claims against the Council. The proposed course of action manages the risks in an effective manner and facilitates the circumstances for a restructure to progress swiftly.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. Consultation has been undertaken with relevant staff and no specific equality implications have been identified for the proposals concerned.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and "go local" requirements do not apply to this report.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1. The Human Resources implications are considered in the Part II Report.

15. APPENDICES

- 15.1. None.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1. Pay Policy Statement 2020/21