

**\*PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: VOLUNTARY REDUNDANCIES**

**REPORT OF:** SERVICE DIRECTOR – CUSTOMERS & SERVICE DIRECTOR – LEGAL & COMMUNITY

**EXECUTIVE MEMBERS:** FOR FINANCE AND IT; & COMMUNITY ENGAGEMENT AND RURAL AFFAIRS

**COUNCIL PRIORITY:** RESPONSIVE AND EFFICIENT

**1. EXECUTIVE SUMMARY**

1.1 To seek the approval of the Council for two voluntary redundancies, where the cost of each exceed the threshold of £100,000 as set out in the Pay Policy Statement.

**2. RECOMMENDATIONS**

That Council approves:

2.1 Voluntary Redundancy 1;

2.2 Voluntary Redundancy 2;

the details of which are presented in the Part II Report.

**3. REASONS FOR RECOMMENDATIONS**

3.1 To meet the financial challenges to the Council in light of reducing Government support.

3.2 To facilitate the phase 2 restructure and assist with meeting the Council's corporate financial budgetary requirements in the longer term.

**4. ALTERNATIVE OPTIONS CONSIDERED**

4.1 Relevant consultations have been undertaken and options considered as per the Part II report.

**5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS**

5.1 Consultation has taken place with affected members of staff and the staff consultation forum, in accordance with the Council's Reorganisation Policy.

**6. FORWARD PLAN**

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

**7. BACKGROUND**

- 7.1 The budget for 2019/20 and beyond (also on the agenda for this meeting) estimates that the Council will need to deliver £1.2m of annual savings by the year 2022/23. This amount is subject to the estimates detailed in the budget report, and could be greater. Levels of funding beyond next year are very uncertain and subject to a change to Business Rate retention and a new funding formula.
- 7.2 Following the implementation of the Senior Management Restructure on 1 June 2018, Service Directors were tasked with reviewing their establishments with a view to identifying efficiency opportunities of £300,000. Initially this was to meet the cumulative savings that had already been committed to in previous budgets, but had not at that stage been delivered.
- 7.3 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.
- 7.4 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 the case of these cases the total contractual payments including employer costs each exceed £100,000.

## **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*<sup>1</sup>' 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<sup>2</sup>.
- 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.*"
- 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. The settlement agreement manages any subsequent liabilities that the Council may have in terms of claims and is a prudent step to take.
- 9.4 For each of the employees it is proposed that there is a settlement agreement in place which is normal practice in such circumstances.

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

<sup>2</sup> [North Herts District Council - Pay Policy Statement 2018-19](#), paragraph 3.10

## **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 organisational 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” policy 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 2018-19 (link as above).