
Meeting: General Purposes Committee

Date: 17 December 2009

Subject:

Report of: Acting Assistant Director, Human Resources & Organisational Development

Summary: The report is to seek Member approval for the delegation of decisions involving the termination of employment on the grounds of redundancy/early retirement for both non schools and schools based employees.

Advising Officer:

Contact Officer: Catherine Jones, Head of HR Strategy & Policy

Public/Exempt: Public

Wards Affected: n/a

Function of: Council

Key Decision

Reason for urgency/
exemption from call-in
(if appropriate) n/a

CORPORATE IMPLICATIONS

Council Priorities:

The efficient and timely decision making by Members supports both the need to provide management and staff affected with a quick, efficient but robust decision making process.

Financial:

None arising from this report.

Legal:

The proposed arrangements ensure that Human Resources can confirm that all employment law is complied with.

Risk Management:

None resulting from this report.

Staffing (including Trades Unions):

Trade Unions have been consulted on the details of the proposal.

Equalities/Human Rights:

Will be taken into account.

Community Safety:

n/a

Sustainability:

n/a

Summary of Overview and Scrutiny Comments:

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RECOMMENDATION(S):

1. **that the Committee**
 - (a) **approves the recommendation as set out in paragraphs 10 and 11 of the report, to delegate authority to the Service Portfolio holder, the Portfolio holder for Corporate Resources and the Chairman of the General Purposes Committee to approve redundancy/early retirement scenarios**
 - (b) **that any redundancy/early retirement payments for non schools based employees are made in accordance with the Managing Change policy of the Council or any other policy in force at the time of the delegation being implemented**
 - (c) **that in line with the practice of the predecessor authority, Central Bedfordshire should only operate the discretion available under Regulation 52 of the Local Government Pension Scheme or the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2006 except in the most exceptional circumstances.**

Reason for Recommendation(s): To ensure that there is an efficient, effective and robust decision making process in place with regard to redundancies/early retirement severance arrangements for both non schools and schools based employees.

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Background

1. The Shadow Executive of Central Bedfordshire approved a report at their December 2008 meeting which set out the terms of the redundancy policy for non schools staff and also provided for delegated authority to the Interim Chief Executive in consultation with the Portfolio Holder for Corporate Resources, to implement the severance/early retirement policy for non schools based staff with immediate effect. There was no end date to this delegation.
2. On 17 March 2009, the Shadow Executive approved a report which set out the terms of the redundancy/severance policy for schools based staff in Central Bedfordshire and similarly provided for delegated authority to the Interim Chief Executive in consultation with the Portfolio Holder for Corporate Resources, to implement the severance/early retirement policy for schools based staff with effect from 1 April 2009.

Terms of Reference for General Purposes Committee

3. While it is acknowledged that there is a delegation in place as referred to above, the terms of reference for the General Purposes Committee includes:

To determine the award of any discretionary payments to employees under the Local Government Pension Scheme or the Council's Severance policy.
4. This report proposes that the current delegations be reviewed and a new delegation put in place that takes account of the Terms of Reference of this Committee.

Reasons for Redundancy/Early Retirements for CBC Non Schools employees and funding of associated costs

5. For non schools based employees, redundancies may be on a 'one off' basis' from a limited change in functions of a post, or more widespread involving major reorganisation of a team.

Where there is a 'one off' redundancy the cost of severance/early retirement will normally be met by the service budget and within the financial year the costs are incurred.

7. Where there are a number of redundancies and the costs cannot be met by the service budget in the financial year, additional budget needs to be approved possibly requiring a report to the Executive seeking approval for funding. The redundancies will still need to meet the three year 'pay back' period and be supported by a robust business case. In these circumstances the anticipated costs of any redundancy/severance arrangements will be referred to in the report to Executive.

Reasons for Redundancy/Early Retirements CBC Schools based employees and funding of the associated costs.

8. Redundancies/early retirement in Schools arise for two different reasons:
- (a) The school may have decided that they need to make changes to the curriculum which may then result in redundancies/early retirements of one or more employees. In these circumstances the School is expected to fund the costs of any redundancy/early retirements. The decision will have been made by the Head Teacher in conjunction with the Governing Body. Consultation will also have involved Human Resources to ensure compliance with employment legislation and CBC policies, and Finance who will need to confirm the costs are correct and the impact on the school's budget can be absorbed within the financial year. In some cases the costs may result in an overspend for up to 3 years. This will be assessed by Finance before they approve the costs.
 - (b) The second and most common reason is budget overspend and the need to urgently address the overspend by reducing the number of employees. In these circumstances the School Improvement Team will also become closely involved to ensure that the issues raised by the budget are addressed not only in reducing costs but managing the school going forwards with the reduced staffing compliment. The Schools Improvement Team will also be concerned to ensure that the remaining team of teachers and support staff will be able to support the delivery of the curriculum going forwards.

- (c) Where a School is facing budget difficulties, there is provision within the existing Schools Policy, that the cost of any redundancy/early retirements will be funded by a centrally held budget, the 'Schools Contingency Fund'. This fund is financed from the Direct Schools Grant with the agreement of the Schools Forum. It is important to note that there is a statutory requirement for Local Education Authorities to fund the costs of redundancies/early retirements caused by budget difficulties in Schools unless it is felt that the governing body has acted unreasonably. 'Unreasonable' action by the governors might be, for example, agreeing to severance arrangements outside the existing constraints..
- (d) The final decision regarding the numbers and categories of employees affected (Teaching or Support) will be taken by the Head in conjunction with the Governing Body.

Business Case

For both Schools and Non Schools redundancy/early retirement cases, a detailed business case will be required. For non schools this will be signed off by the Service Director, for Schools the business case will be signed off by the Head and Chair of Governors.

Proposed Delegations

- 9. As with any redundancies the decisions that are taken impact directly on individual employees. By proposing that we continue with delegating decisions, this will ensure that decisions are taken at the appropriate time, promptly and without delay and minimise uncertainty for the individuals affected. The process must still remain robust

10. For any proposed redundancy/early retirement scenario, for both schools and non schools, it is proposed that a pro forma is completed which will provide the detailed business case for the proposal, setting out the reasons for the redundancy and explaining what other alternatives have been explored including any redeployment.

The pro forma will also state the full financial liability of the redundancy/early retirement providing the details of the redundancy payment and where applicable, actuarial strain costs if there are associated early retirement pension costs.

Any case coming forward to members will need the support of the following:

- The Assistant Director of the Service Area of Head Teacher as applicable
- Finance who will need to confirm the impacts on budgets and how this is being funded.
- Human Resources to confirm the total costs and that all Policy and employment legislation has been complied with.
- Schools Improvement Team to confirm that the proposed redundancies within the School will not detrimentally affected the education provision
- Service Director or Director of Childrens, Families and Learning in the case of any schools related redundancies/early retirements.

11. Having completed the details under paragraph 10, the pro forma will then be passed to the following members to seek their approval.

- (a) Portfolio Holder of the relevant Service Area
- (b) Portfolio Holder for Corporate Resources
- (c) Chairman of General Purposes Committee

12. These members will also need to determine the redundancy payment and whether any discretion should be applied. The Shadow Executive in approving the reports referred to in paragraphs 1 and 2, above stated that Central Bedfordshire should only operate the discretion available 'in the most exceptional circumstances'. The discretion allows members to increase the statutory level of redundancy payment of a maximum of 30 weeks to up to a maximum of 45 weeks.

Historically, there has been very little application of the discretion for Schools redundancies and the legacy BCC very rarely applied any discretion. The most recent voluntary redundancies by the legacy district authorities resulted from the very different circumstances caused by LGR and reflected different organisations, circumstances and different policies.

Conclusion and Next Steps

13. An annual report to the General Purposes Committee will be submitted in July of each year setting out the numbers and associated costs of any redundancies/early retirements approved during the previous financial year.

Background Papers: (open to public inspection)

Location of papers: