

Somerset West and Taunton Council

Special Council – 19 June 2019

Approval of Redundancies (Transformation) where Severance Is Over £100,000

Report of the Transformation HR Lead

This matter is the responsibility of the Leader of the Council, Councillor Federica Smith-Roberts and Cllr Ross Henley, Portfolio Holder for Corporate Resources.

1 Executive Summary

- 1.1 This report is requesting Council to approve the redundancies of the Principal Planning Officer and Digital Services Manager. The necessary financial approvals are already in place via the Business Case for Transformation and these costs are already included within reported figures. This request for Full Council approval is a separate requirement of the Council's HR policies where severance costs exceed £100,000 per case.

2 Recommendations

- 2.1 That Council approve the redundancies of both posts with effective end dates of 20 September 2019 in accordance with the financial details set out in Confidential Appendices A and B.

3 Risk Assessment

Risk Matrix

Description	Likelihood	Impact	Overall
Risk: Challenge from the employee if not approved and decision relates to cost which in turn relates to age.	4	3	12
<i>Mitigation: These redundancy requests are within the current forecast spend within the 2018/19 Statement of Accounts and are applying the appropriate policies of the Council and Regulations relating to the Local Government Pension Scheme</i>			

Risk Scoring Matrix

Likelihood	5	Very Likely	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Feasible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)

	2	Slight	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Very Unlikely	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at some time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily/weekly/monthly)	> 75%

- 3.1 The legal comments highlight potential risks of challenge from the affected employees if Council decide not to approve the redundancy. In addition to this risk such a decision would also reduce the financial savings made.

4 Background Information

- 4.1 The purpose of this report is to request that Council agree the redundancies of:

the Principal Planning Officer and the Digital Services Manager posts as at 20 September 2019.

- 4.2 There is a requirement for these redundancies to be approved by Full Council as the 2019/20 Pay Policy Statements contain the following:

‘That where severance payments for staff exceed £100,000 they will be reported to Full Council for approval and in presenting information to Full Council the components of the relevant severance package will be clearly set out. These components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.’

- 4.3 The financial details are set out in Appendix A and B.

5 Business Continuity

- 5.1 Although the new structure created through transformation came into effect at the end of February 2019 there was a statutory trial period for staff appointed to new roles. At the end of that trial period the postholders determined that the post was not suitable but the timing of this coincided with district elections and it was not possible to bring a report to Full Council. The postholders have continued to support the Planning Service and Transformation projects during this period.

6 Links to Corporate Aims / Priorities

- 6.1 This proposal is in response to the Transformation Project, whose aims were set out in detail in the Business Case agreed by both Taunton Deane Borough Council and West Somerset Council in 2016. Among the aims in the business case is to deliver financial savings which involves reducing staff costs.

7 Finance / Resource Implications

- 7.1 Both TDBC and WSC Full Council's approved funding for the "High Level Business Case – Transformation" in 2016, which included an allowance for estimated termination costs of £3.03m. The budget for redundancy was increased to £5.28m by both Full Councils in December 2018. Current forecast costs for redundancy are included within the 2018/19 Statement of Accounts for TDBC and WSC at a combined £6.35m. The total costs for these posts are included within this sum.
- 7.2 The payback periods are under 3 years and therefore within normal acceptable boundaries and in line with the business case. It is therefore considered the proposals achieve value for money, both when considered in isolation and for the business case overall. The finance details are set out in the confidential appendix A. The costs have been disclosed in the annual statement of accounts for 2018/19, which as standard includes a note regarding remuneration costs that exceed £50,000 in any one financial year – including severance costs.
- 4.3 Should this redundancy not be approved then the annual cost of retaining the post is shown within the confidential appendices, which would reduce the ongoing savings proposed within the business case. There could also be further costs incurred if the decision is challenged by the post holders. The savings target per the Business Case are already incorporated into the Medium Term Financial Plans for Somerset West and Taunton, therefore any shortfall will increase the budget gap that would need to be addressed in other ways.

8 Legal Implications

- 8.1 All relevant employment legislation and HR policy has been complied with.
- 8.2 The creation of the staffing structures has been delegated to the Chief Executive but, due to the requirement for all redundancies over £100,000 to be approved by Full Council, there is a need for this specific proposal to be considered by Members.
- 8.3 Those included in this report and all other requests for redundancy have been considered against and accord with Council policies. Individually this case pays back within a three year period but it should be remembered that these are part of the wider transformation project.
- 8.4 Should the Council determine that any of the redundancies should not be approved then there is a risk of challenge by the affected post holders as this decision may be deemed to be discriminatory.

9 Environmental Impact Implications

9.1 None associated with this report.

10 Safeguarding and/or Community Safety Implications

10.1 None.

11 Equalities and Diversity Implications

11.1 All aspects of the Transformation Programme which are HR related, such as recruitment, redundancy etc, are being monitored for equality purposes so that any equality impacts can be considered.

11.2 There are no adverse equality issues arising from the recommendation within this report.

12 Social Value Implications

12.1 None.

13 Partnership Implications

13.1 None for the purposes of this report.

14 Health & Wellbeing Implications

14.1 None.

15 Asset Management Implications

15.1 None.

16 Consultation Implications

16.1 None.

Democratic Path:

- **Corporate Scrutiny – No**
- **Executive – No**
- **Special Council – 19 June 2019**

Reporting Frequency: One Off

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