

The Highland Council

21st January 2016

Agenda Item	5
Report No	HC/3/16

Voluntary Redundancy Scheme – Delegation of Decisions

Report by the Chief Executive

Summary

This paper seeks Member approval for a change to the Scheme of Delegation to support the implementation of the Council's Voluntary Redundancy Scheme.

1.	The Scheme
1.1	Following the announcement of the draft Local Government Settlement on 16 th December 2016 all Council staff were advised of the launch of a Voluntary Redundancy Scheme with applications invited in the period 21 st December 2015 to 29 th January 2016.
1.2	The scheme is open to all staff, (except for those staff delivering NHS commissioned services under our Integration Scheme). While all other staff groups may apply, there are some groups such as Teachers, HGV Drivers, staff who work in residential childcare and criminal justice where it is recognised that there is likely to be a very limited scope to reduce numbers.
1.3	Staff were advised that not everyone who applies will have their application approved and cases will be prioritised based on service needs and on potential savings to the Council, taking into account any service reductions which may be agreed by Council.
1.4	An Internet webpage has allowed staff to use a ready reckoner to calculate their entitlement to a redundancy payment and pension benefits under the Council's existing arrangements.
1.5	At the time of writing this report 293 (full and part-time) staff have applied to the scheme with just over 2 weeks remaining until the closing date for applications. A verbal update will be given at the meeting.
2.	Decisions and Delegation
2.1	This Scheme is intended to support the Council's urgent need to reduce the size and cost of its workforce such that it can, at its meeting in February, agree a balanced budget for 2016/17. It must be recognised that this approach will be quick and effective as a means of reducing revenue costs but releasing large

	<p>numbers of staff in this way will clearly have significant consequences in terms of service delivery. It will have major impacts on capacity, performance and response times and it is likely that these impacts will be felt to different degrees in different services and different areas.</p>
2.2	<p>Members are asked to note that the HR, Pensions and Digital Services teams of the Council have done excellent work in establishing the scheme at short notice and subsequently in recording and analysing the applications received while addressing numerous staff queries. The next stage however will be even more demanding for these teams and this paper seeks Member approval for an early start to the work of processing approved applications, immediately following the close of applications on 29th January.</p>
2.3	<p>Our staff are aware that not all applications will be approved. There are some decisions which in the light of the financial challenges ahead must now be considered to be straightforward - in that the impacts on essential functions are considered manageable or there is scope for restructuring, redesign and redeployment. There are of course some difficult decisions where the impact is likely to be more severe. This paper seeks Member approval for the delegation of the “straightforward” decisions to the Chief Executive and Director of Finance.</p>
2.4	<p>The current remit for the Employment Release Sub-Committee is as follows:- “To consider and determine cases for early retirement, severance, redundancy etc. for all employees of the Council in accordance with the relevant Council policies; To consider exceptional circumstances applying to transfers into the Local Government Pensions Scheme from occupational pension schemes or personal pension schemes.”</p>
2.5	<p>It is proposed that the Scheme of Delegation be amended to the following:-</p> <p>Chief Executive and Director of Finance To agree voluntary redundancy for any post where there are no impacts on essential functions, or they are considered manageable, or there is considered to be scope for restructuring, redesign and redeployment. To agree voluntary redundancy for any post which is aligned with a decision taken by Highland Council (e.g. change in policy, reduction in service, cessation of service, reduction in budget); To agree voluntary redundancy for any teaching post (i.e. on teaching terms and conditions) where the removal of that post would reduce a budget pressure To agree voluntary redundancy only when the business case represents value for money and gives a pay-back period of no more than 3 years;</p> <p>Employment Release Sub-Committee To agree early retirement or redundancy for any post which is considered to be out-with the authority delegated to the Chief Executive and Director of Finance To consider exceptional circumstances applying to transfers into the Local Government Pensions Scheme from occupational pension schemes or personal pension schemes.</p>

3	Implications
3.1	<p>Resources</p> <p>This change to the Scheme of Delegation is intended to streamline the process of approving voluntary redundancy applications and will in itself reduce the resources required to support the approval process.</p> <p>The consequence of each decision to approve a redundancy application will be to reduce the Council's revenue budget and to incur a redundancy payment and (where appropriate) payments in enhanced pension benefits in line with the Council's policy.</p> <p>The costs of redundancy and pension benefits will be met from Council reserves. This will reduce the level of reserves held below the level previously agreed by Council and future budget decisions will need to consider how to rebuild reserves to an appropriate level.</p>
3.2	<p>Risk</p> <p>The implementation of this Scheme will significantly reduce the Council's workforce and will have consequences in terms of service delivery. It will impact on capacity, performance and response times and it is likely that these impacts will be felt to different degrees in different services and different areas. Service Management Teams will seek to mitigate these risks by restructuring, redesign, training and redeployment.</p>
3.3	<p>Equalities</p> <p>The Council's Voluntary Redundancy Scheme aims to ensure that the decision making process does not adversely impact or unlawfully discriminate against any protected groups. The process is compliant with legal requirements and the relevant pension regulations. Equality monitoring of applications will be carried out as part of the process.</p>
3.4	<p>Legal</p> <p>The implementation of the Scheme will be compliant with all relevant employment and pension legislation.</p>
3.5	<p>While the impacts of the implementation of this Scheme are not yet able to be defined there are no specific Rural, Gaelic or Climate Change implications arising from the changes envisaged at this time.</p>
4	Recommendations
4.1	<p>Members are asked to agree to amend the Scheme of Delegation from the current arrangements described in paragraph 2.4 to the revised arrangements described in paragraph 2.5 with immediate effect.</p>

Signature:

Designation: Chief Executive

Date: 12th January 2016