

#### **NOTICE OF MEETING**

Employment Committee
Wednesday 28 October 2015, 7.30 pm
Council Chamber, Fourth Floor, Easthampstead House, Bracknell

#### To: Employment Committee

Councillor McLean (Chairman), Councillor Allen (Vice-Chairman), Councillors Mrs Angell, Mrs Birch, Leake, Ms Miller, Mrs Temperton, Virgo and Worrall

#### **Non-Voting Co-optee**

Councillor Heydon

cc: Substitute Members of the Committee

Councillors Angell, Brossard, Dudley, Mrs Hamilton and Mrs McCracken

ALISON SANDERS Director of Corporate Services

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Published: 20 October 2015



# Employment Committee Wednesday 28 October 2015, 7.30 pm Council Chamber, Fourth Floor, Easthampstead House, Bracknell

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#### **AGENDA**

Page No

#### 1. Apologies

To receive apologies for absence and to note the attendance of any substitute members.

#### 2. Declarations of Interest

Any Member with a Disclosable Pecuniary Interest or an Affected Interest in a matter should withdraw from the meeting when the matter is under consideration and should notify the Democratic Services Officer in attendance that they are withdrawing as they have such an interest. If the Interest is not entered on the register of Members interests the Monitoring Officer must be notified of the interest within 28 days.

#### 3. Minutes from previous meeting

To approve as a correct record the minutes of the meeting of the Committee held on 3 September 2015.

5 - 6

#### 4. Urgent Items of Business

Any other items which, pursuant to Section 100B(4)(b) of the Local Government Act 1972, the Chairman decides are urgent.

#### 5. Staff Survey Actions

To note the staff survey action plans progress to date.

7 - 12

#### 6. Severance Policy Options

To consider the reasons for and legal basis of the Council's current severance policy and to present options for the future.

13 - 22

#### 7. Public Sector Exit Payment Cap

To note a potential legislative change in the governments approach to public sector severance payments.

23 - 24

#### 8. Date of Next Meeting

16 December 2015.

#### 9. Exclusion of Public and Press

To consider the following motion:

That pursuant to Section 100A of the Local Government Act 1972, as amended, and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of the following items 10 & 11 which involves the likely disclosure of exempt information under the following category of Schedule 12A of that Act:

- 1) Information relating to any individual.
- 3) Information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### 10. Community Learning Restructure

To consider a proposed redundancy which arises from the review of the Community, Learning and Skills Service.

#### 11. Coral Reef Enhancement Project - Employment Implications

To consider proposed redundancies arising from the project to undertake a major enhancement of Coral Reef with the resulting closure to the public for approximately one year. 31 - 46

25 - 30



### EMPLOYMENT COMMITTEE 3 SEPTEMBER 2015 7.30 - 8.20 PM



#### Present:

Councillors McLean (Chairman), Allen (Vice-Chairman), Mrs Angell, Mrs Birch, Leake, Ms Miller, Mrs Temperton, Virgo and Worrall

#### **Also Present:**

Councillor Heydon

#### 12. Declarations of Interest

There were no declarations of interest.

#### 13. Minutes from previous meeting

**RESOLVED** that the minutes of the meeting held on 1 July 2015 be approved as a correct record and signed by the Chairman.

#### 14. Urgent Items of Business

There were no urgent items of business.

#### 15. Exclusion of Public and Press

**RESOLVED** that pursuant to Section 100A of the Local Government Act 1972, as amended, and having regard to the public interest, members of the public and press be excluded from the meeting for the consideration of the following item which involves the likely disclosure of exempt information under the following category of Schedule 12A of that Act:

(1) Information relating to any individual (Item 6).

#### 16. Recruitment and Retention of Children's Social Workers

The Committee received a report on measures to improve the recruitment and retention of Children's Social Care staff.

The Committee discussed the report and in response to Members' queries the Director of Children, Young People and Learning and the Chief Officer: Human Resources confirmed that

- A number of different aspects had been considered to enable a package of support for staff.
- There was a national shortage of social workers and the measures were in response to this issue.
- A Berkshire wide approach to agency staff recruitment was being investigated.

- Bracknell Forest had been a part of the 'Step Up to Social Work' programme.
- The measures would include administrator and IT support staff.

#### The Committee **RESOLVED** that

- 1 Measures to improve the recruitment and retention of Children's Social Care staff would be implemented from the 1 October 2015.
- 2 Market Premium payments to relevant staff, as set out in Appendix F to the restricted Executive report be agreed.
- The extension of existing golden handcuff payments to at least October 2018 be agreed.
- A report would be provided to the Committee in 12 months to review the changes.

#### 17. Date of Next Meeting

It was noted that the meeting on the 7 October had been rescheduled and would take place on 28 October 2015.

**CHAIRMAN** 

## TO: EMPLOYMENT COMMITTEE 28 OCTOBER 2015

## CORPORATE STAFF SURVEY ACTION PLAN - PROGRESS TO DATE (Director of Corporate Services – HR)

#### 1 PURPOSE OF REPORT

- 1.1 In response to the Staff Survey in autumn 2014, a corporate wide action plan has been developed. CMT agreed that progress against the action plans would be monitored every six months, starting in September 2015.
- 1.2 At their meeting in February, the Committee asked that a report be brought back to the October meeting outlining the actions being taken in response to the staff survey. This report reports progress to date on the action plan.

#### 2 RECOMMENDATIONS

2.1 To note the corporate staff survey action plan and progress to date.

#### 3 REASONS FOR RECOMMENDATIONS

3.1 One of the fundamental principles of the staff survey is that staff should be told about how their feedback has resulted in action – the "You Said, We Did" approach – which would reinforce the message that their feedback is worthwhile and valued. The information on progress to date will form the basis of the first of the You Said We Did communications arising from the 2014 survey. Emphasis will be put on actions taken rather than publicising action plans, although the action plans are available on BORIS for reference and the headline results were published in the March edition of Forestviews.

#### 4 ALTERNATIVE OPTIONS CONSIDERED

4.1 Not applicable.

#### 5 SUPPORTING INFORMATION

5.1 The corporate staff survey action plan is attached at Appendix 1. Key themes are:

Dealing with poor performance – the perception that issues of poor performance are not tackled, or not tackled effectively

Improving the visibility of senior managers, especially in Time Square, and finding ways for senior managers to recognise achievement

Managing your workload in a busy environment, and raising awareness about stress and how to manage it

Improving communication with employees, including clear explanations of changes planned giving them the opportunity to give feedback around major changes

Improving the way that different areas of the Council work together

Investigating perceived discrimination and unfair treatment – particularly towards younger age groups.

#### 6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

**Borough Solicitor** 

6.1 None

**Borough Treasurer** 

6.2 None

**Equalities Impact Assessment** 

6.3 Plan attached which addresses equalities issues.

Strategic Risk Management Issues

6.4 None

#### **Background Papers**

None

Contact for further information
Pat Butler, Corporate Services - 01344 352054
<a href="mailto:pat.butler@bracknell-forest.gov.uk">pat.butler@bracknell-forest.gov.uk</a>

**Progress** 

By when

Monitoring

By whom

2. Improving Senior Managers visibility and f	ind ways of rec	ognising achieve	ment	
Immediate actions				
2.1 Directors and Chief Officers to "walk the floor" regularly	Directors	Ongoing	Report to CMT Sept 2015 March 2016	Visits to each team planned for next 6 months. Positive feedback already reported
2.2 Establish a task and finish group to develop a graduated scheme of staff recognition/reward for staff for good work.	DCS/CO:HR	May 2015	Report to CMT Sept 2015 March 2016	Group has nominees and is being set up
2.3 Find opportunities for report authors present to appropriate forums e.g. DMTs, Scrutiny Panels, Working Groups, SLG, PRGs, Executive to help their development	Directors	Ongoing	Report to CMT Sept 2015 March 2016	CS DMT regularly has report authors presenting; other opportunities are also

Recommendations

and provide recognition.		being utilised

3. Managing workload and raising awareness	s about stress			
Immediate actions				
3.1 Ensure new Council Medium Term Objectives and directorate priorities are clear and are effectively communicated to staff	ALL	September 2015	Report to CMT Sept 2015 March 2016	
3.2 Encourage and promote greater mindfulness of stress for all staff (eg Lunchtime Managers session or sessions at senior manager meetings within departments, Boris, Forest Views etc)		Ongoing	Report to CMT Sept 2015 March 2016	CYPL's SLG have discussed managing stress and encouraged managers to do online training
3.3 Publicise courses which help staff to prioritise and to manage their workload.	CO:HR	Ongoing	Report to CMT Sept 2015 March 2016	

4. Improving communication and opportunit				
Immediate actions				
4.1 Re-establish the Good to Great Communications Group and include ways to improve cross Council working		May 2015	Report to CMT Sept 2015 March 2016	Volunteers identified, group membership to be finalised
4.2 Include reasons for major changes in Forest Views, departmental briefings and encourage managers to cascade information at team meetings/one to ones	Directors	Ongoing	Report to CMT Sept 2015 March 2016	No changes yet in CS

4.3 Ensure that for all organisational change	Directors/HR	Ongoing	Report to CMT Sept 2015	No changes yet in CS.
situations there are opportunities for staff to	Managers in		March 2016	CYPL have a change
provide feedback on a face to face basis as	each			process underway
well as in writing.	directorate			and staff have
				opportunity for face to
				face discussion.

5. Improving the way areas of the Council w	ork together			
Immediate actions				
5.1 Identify which issues most concern staff about cross Council working and how this impacts on their work	DMTs	April 2015	Report to CMT Sept 2015 March 2016	CS: Discussions held in teams and included on Directorate plan
5.2 Discuss this issue further with SLG to better understand the implications and areas of concern	CX	June 2015	Report to CMT Sept 2015 March 2016	Working group set up on cross-council communications
Medium term actions				
5.3 Develop and implement action plan	CMT	July 2015	Report to CMT Sept 2015 March 2016	
Also see 4.1			Report to CMT Sept 2015 March 2016	

Other Actions				
6. Investigate perceived discrimination, partic				
Immediate actions				
6.1 Identify which issues most concern staff	Equalities	May 2015	Report to CMT Sept 2015	Research completed
reporting age and gender discrimination	group	Way 2010	March 2016	rtesearon completed

6.2 Undertake further analysis of discrimination reasons and create an action plan	Equalities group/HR Manager- CS/Qa Research	June 2015	Report to CMT Sept 2015 March 2016	Research report considered and action plan developed
6.3 Implement action plan	CMT	September 2015	Report to CMT Sept 2015 March 2016	Action plan in place

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## TO: EMPLOYMENT COMMITTEE 28 OCTOBER 2015

## **SEVERANCE POLICY OPTIONS**(Director of Corporate Services – HR)

#### 1 PURPOSE OF REPORT

1.1 To set out the reasons for and legal basis of the Council's current severance policy and to present options for the future. In light of the continuing need to make budget reductions, there is a need to examine the policy on severance payments but also a need to ensure that future restructurings and redundancies are dealt with fairly and good employee relations maintained.

#### 2 RECOMMENDATION(S)

That the Employment Committee retains:

- 2.1 The use of actual weekly pay levels for redundancy purposes
- 2.2 The policy of paying statutory weeks only to employees with immediate access to pension
- 2.3 The current x 1.75 multiplier of the statutory entitlement for employees with no immediate access to pension.

#### 3 REASONS FOR RECOMMENDATION

- 3.1 The approach to paying a multiplier of the statutory redundancy calculator has helped to maintain a positive employee relations climate in very difficult times. Maintaining a difference between those with access to pension and those without means that enhancements are targeted to those who have no additional means of support from their pensions after they have lost their jobs at the Council.
- 3.2 The existing severance policy was last reviewed in 2011. At that time the redundancy multiplier was reduced from 2.5 to 1.75 in line with the average level applied across local government. At 1.75 the multiplier still represents a balanced approach towards severance payments.

#### 4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Council could provide enhanced payments to all employees eligible for redundancy, irrespective of pension access. However this would mean an increase in costs and a more generous package for those who would already have access to pension on being declared redundant.
- 4.2 The Council could use up to a x3 multiplier as some other Councils do, but this would lead to an increase in redundancy costs.

- 4.3 The Council could use less than the current 1.75 multiplier but this would provide only a very modest increase on statutory amounts and would put it amongst the lower levels for severance policies for all local government employers.
- 4.4 The Council could use no multiplier, ie statutory weeks only, which would make its severance payments the lowest level amongst all local government employers.

#### 5 SUPPORTING INFORMATION

#### 5.1 **Severance policy principles**.

Since 1999, the Council has kept a consistent overall approach to severance payments and to the principles underpinning the granting of early retirements. Severance payments are also closely linked with Pensions Regulations, and these will be mentioned in this report but only as they relate to severance; the full set of pension discretions is periodically reviewed by the Employment Committee.

#### 5.2 **Current Severance Policy**

- 5.2.1 In brief, the current approach to redundancy/severance payments is as follows:
  - In all cases the Council uses actual weekly pay to calculate the amount to be paid.
  - The Council pays the statutory number of weeks to those who have immediate access to their pension.
  - For those who do not have access to pension, an enhanced severance payment is made, as they will have no pension income or pension-related lump sum on leaving. This is x 1.75 the statutory minimum level of payment with a maximum level of 52.5 weeks pay.
- 5.2.2 This policy aims to give a fair but not over generous settlement to employees and has been a significant factor in the sound industrial relations context around severance over a number of years in which major Council reorganisations have been implemented. The logic of the policy was to exercise discretion in favour of those with no access to pension to ensure they received a reasonable severance package. Prior to 2011 a x 2.5 multiplier was used (up to 75 weeks pay), but the amount was reviewed in 2011 to be consistent with average practice in Local Government while still maintaining the same general principles.

The full extent of the discretions available through the Discretionary Compensation Regulations (DCR) which allows councils to pay up to 104 weeks in redundancy situations, has not been used as the Council felt it was unnecessary to utilise the maximum amounts.

#### 5.3 The legal basis of the severance payments made

5.3.1 Employers must pay, as a minimum, statutory redundancy in accordance with the Employment Rights Act 1996 (ERA). The number of weeks paid varies with age and service, but the maximum achievable amount is 30 weeks pay while the minimum is 1 weeks pay. The ERA imposes a cap on the amount of weekly pay to be used in the calculation, currently £475 p/w.

However it is common for employers to waive this cap and use actual weekly pay, and virtually all local authorities do so; the Local Government (Discretionary Payments) Regulations 1996 explicitly give employers the power to do this.

5.3.2 There has to be an objective justification for the amount paid, and where age and service are a factor in this, the model used must be a multiple of the number of weeks in the statutory redundancy calculator, eg x2 or x3.

#### 5.4 **The National Picture**

In 2013, the Local Government Employers organisation commissioned a survey of the severance policies operated by employers across the UK - 143 organisations responded. The main findings of the survey were that 89% of respondents used actual salaries to calculate redundancy payments; that 59% of respondents awarded lump sum compensation in some or all redundancy cases; and that where offered, lump sum compensation was generally calculated using multipliers up to x3 the number of weeks and that the most commonly used multipliers were x 1.5 and x 2. The Council's current level of x 1.75 the number of weeks is therefore in line with common practice.

The results are tabulated below:

Policy in cases of redundancy	%age Local Authorities, non-schools
Actual salary for redundancy payments	89
Multiplier of number of weeks for lump sum	
payment where used:	
X1.5	28
X2 or over	28
Other formula used*	43

<sup>\*</sup>This denotes a variety of other methods – eg some other multiplier between 0.75 and 3, or capped at a certain level, or dependent on case by case factors, or perhaps, like this Council, using a multiplier in cases with no access to pension and statutory weeks in cases with access to pension.

#### 5.5 Options on use of discretions

5.5.1 As can be seen from the information above and in paragraph 5.2, the Council pays neither the highest nor the lowest severance of the authorities surveyed.

Clearly there are a range of options available to the Council if it were to consider changing its approach to severance payments:

- Pay statutory redundancy only at actual weekly pay rate or using the £475 p/w cap for all employees, irrespective of pension access
- Where there is no access to pension, pay a multiplier of the actual weeks' pay in statutory redundancy, either x1.5, x1.75, x2, or x3; use the statutory table at actual week's pay only (ie x1) where there is access to pension.

#### 5.6 **Cost implications**

5.6.1 In the last two financial years, the Council implemented 43 redundancies, 40 of which resulted in a redundancy payment. The average payment was of £8147. Capitalised costs of pension are not included in the comparative figures below. Pensions are automatically triggered in redundancy cases for those over 55 and thus the Council has no influence over this (the capitalised cost is the one off amount the Council has to pay to the Pension Fund to allow for early payment of a pension).

Had the options in paragraph 5.5.1 been exercised on the 40 redundancies the impact would have been as follows:

Option	Average redundancy pay
A - Actual weekly pay (no multiplier)	£6015
B - Actual weekly pay with x 1.5 multiplier	£7436
C - Actual weekly pay with x 1.75 multiplier - current policy	£8147
D - Actual weekly pay with x 2 multiplier	£8858
E - Actual weekly pay with x 3 multiplier	£11,701

Option A reduces expenditure on severance to those with no access to pension but leaves those with access to pension unchanged.

Options C maintains the current practice of additional redundancy payments for those with no access to pension.

#### 5.7 Non-cost impact

5.7.1 There is clearly a significant climate of financial challenge affecting local government employers at local and national levels.

Over the last decade employees have seen a reduction in their terms of employment, and an erosion of some elements of their base conditions. These include:

- below inflation pay increases
- an extended pay freeze
- reduction of car mileage payments
- introduction of car parking charges in town centre offices

- the 2011 reduction in severance payments
- several consecutive years of budget-related redundancy proposals.

As a consequence of these, there is no doubt that local government is in a very difficult employee relations environment. It is against that background that a further review of the severance terms must be viewed as if any change is perceived by staff as being unfair this could impact on the performance of the organisation on respect of service delivery.

- 5.7.2 There are some specific issues which impact on the severance scheme itself:
  - It is a reasonable assumption that fewer employees At Risk would be prepared to volunteer for redundancy at rates which were viewed as below the norm for local government, and that selection outcomes would be more vigorously contested by employees and the trades unions.
  - Any significant change to the current policy would undoubtedly be seen as
    penalising those about to lose their jobs, and would be strongly resisted by the
    unions. The Council enjoys a constructive and realistic relationship with its main
    trades unions, who acknowledge that change is sometimes unavoidable but try to
    ensure fair treatment of those At Risk; a change to the current policy would
    undermine this situation. Employees would undoubtedly see this measure as
    one which particularly penalises vulnerable and low paid staff.
- 5.7.3 It is believed that the Council's ability to achieve structural changes and savings in the context of relatively harmonious and constructive employee relations is partly due to the commitment to pay above the statutory minimum to those who are unfortunate enough to lose their jobs without any immediate payment of pension whilst avoiding the excesses of payments at the level of maximum discretion. The current employment market can make it quite difficult for people to secure employment readily, and the severance package helps them through the period of seeking new work. Bracknell's good reputation as an employer includes the way it is seen to treat those who leave its employment as well as those who remain in employment.

#### 6 CONCLUSION

- 6.1 Redundancies have become a necessary part of the management of the Council's workforce. It is important to ensure they are managed in a fair, equitable and cost effective way; the recommendations in this report reflect that approach ie
  - Maintain the use of actual weekly pay.
  - Maintain the multiplier at x 1.75 the number of weeks.
  - Maintain the use of statutory pay levels for those with access to pension.

#### 7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

#### **Borough Solicitor**

7.1 There are no specific legal implications arising from the report's recommendations.

#### **Borough Treasurer**

7.2 Reducing the multiplier from 1.75 to say 1.5 would have saved the Council £28,000 in the last two financial years, across 40 separate redundancies. All redundancy costs are met from the Structural Changes Reserve which currently stands at £1.47m.

#### **Equalities Impact Assessment**

7.3 Attached.

#### Strategic Risk Management Issues

7.4 As outlined in the report at paragraph 5.7.

#### 8 CONSULTATION

#### **Principal Groups Consulted**

8.1 Any proposed policy change will be considered by the trades unions.

#### Method of Consultation

8.2 Local Joint Committee.

#### Representations Received

8.3 TBA

#### **Background Papers**

## Contact for further information

Tony Madden, Corporate Services: HR - 01344 352049

tony.madden@bracknell-forest.gov.uk

### 3

## Initial Equalities Screening Record Form

Date of Screening: July 2015		ctorat	e: Corporate	Section: HR	
1. Activity to be assessed	Repo	ort on	calculation of severance payments – fo	or members to consider if the payment levels are appropriate	е
2. What is the activity?	☑Po	olicy/st	trategy  Function/procedure  P	Project Review Service Organisational change	
3. Is it a new or existing activity?		lew	☑ Existing		
4. Officer responsible for the screening	Pat I	Butler			
5. Who are the members of the screening team?	Pat E	Butler,	Melissa Berry, Tony Madden		
6. What is the purpose of the activity?	cove	r the r		payments are made when redundancies occur. It does not ion criteria or the conduct of a restructuring exercise, which	
7. Who is the activity designed to benefit/target?	It be	nefits/t	targets those being made redundant		
Protected Characteristics	yes or the im potent		Is there an impact? What kind of equality impact may the the impact positive or adverse or is the potential for both? If the impact is neutral please give a	there a customer satisfaction information etc  Please add a narrative to justify your claims	lts, n
8. Disability Equality	Y	N	There is no difference in payment disabled employee. However, and it may be harder for someone with disability to find new employment redundant. So although their seve payment is no different, the impact them of a reduction in the payment may be significant	necdotally exercise inform Members on the demographics of those affected erance ct on	
9. Racial equality	Υ	N✓		EIA screenings on each major redundancy exercise inform Members on the demographics of those affected	

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10. Gender equality	Y✓	N	There is no difference in payment related to gender. However, women are statistically more likely to be part time and/or low paid and would therefore be disproportionately affected by a reduction in the payment basis.	EIA screenings on each major redundancy exercise inform Members on the demographics of those affected				
11. Sexual orientation equality	Y	N✓		EIA screenings on each major redundancy exercise inform Members on the demographics of those affected				
12. Gender re-assignment	Y	N✓		No data held on gender reassignments				
13. Age equality	Y	N	The current structure of the severance payments is geared to pay an enhanced severance to those who have no access to pension, as they are likely to have only welfare benefits to live on while securing new employment; those with a pension income receive statutory payment only but have income and a separate lump sum from the pension.	EIA screenings on each major redundancy exercise inform Members on the demographics of those affected				
14. Religion and belief equality	Y	N✓		EIA screenings on each major redundancy exercise inform Members on the demographics of those affected				
15. Pregnancy and maternity equality	Y	N√						
16. Marriage and civil partnership equality	Y	N✓						
17. Please give details of any other potential impacts on any other group (e.g. those on lower incomes/carers/ex-offenders) and on promoting good community relations.	The severance payments are based on statutory redundancy payments, and therefore take age and length of service as two key factors. Those who are younger and those who have shorter service receive less payment if made redundant. Therefore as the law is structured in this way, it accepts that this is a proportionate response to the fact that those who are older typically will find it harder to secure new employment and those with longer service may find it harder to secure new employment at an equivalent salary level.							
18. If an adverse/negative impact has been identified can it be justified on grounds of promoting equality of opportunity for one group or for any other reason?	As outlined above, the difference in treatment of those with access to pension is intended to give extra assistance to those with no access to pension. It is not directly age linked – someone who is not in the pension scheme will receive enhanced severance regardless of age – but as age is a factor in access to pension, typically more people under 55 will receive enhancements.							

19. If there is any difference in the impact of the activity when considered for each of the equality groups listed in 8 – 14 above; how significant is the difference in terms of its nature and the number of people likely to be affected?	Demographic make up of those made redundant will vary with every exercise and be reflected in EIAs on each exercise.							
20. Could the impact constitute unlawful discrimination in relation to any of the Equality Duties?	Y	N✓	Based on statutory payments and multiples of those payments, which has been held to be proportionate in its impact.					
21. What further information or data is required to better understand the impact? Where and how can that information be obtained?								
22. On the basis of sections 7 – 17 above is a full impact assessment required?	Y	Y N✓ Please explain your decision. If you are not proceeding to a full equality impact assessment make sure you have the evidence to justify this decision should you be challenged.						
23. If a full impact assessment is not required; what actions will you take to reduce or remove any potential differential/adverse impact, to further promote equality of opportunity through this activity or to obtain further information or data? Please complete the action plan in full, adding more rows as needed.								
Action			scale	Person Responsible	Milestone/Success Criteria			
24. Which service, business or work plan will these actions be included in?		n/a – if agreed by Employment Committee will be directly implemented						
25. Please list the current actions undertaken to advance equality or examples of good practice identified as part of the screening?								
26. Chief Officers signature.			Signature: Date:					

26. Chief Officers signature.

Signature:

Date:

When complete please send to abby.thomas@bracknell-forest.gov.uk for publication on the Council's website.

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FOR INFORMATION

## TO: EMPLOYMENT COMMITTEE 28 OCTOBER 2015

# PUBLIC SECTOR EXIT PAYMENT CAP (Director of Corporate Services – HR)

#### 1 PURPOSE OF REPORT

1.1 To bring to the Committees attention a potential legislative change in the governments approach to public sector severance payments.

#### 2 SUPPORTING INFORMATION

2.1 In 31 July, the Government issued a consultation document on a proposal to place a cap of £95,000 on the amount that public sector employees could receive if they were made redundant. This cap will also apply to most other payments made for the termination of employment for other reasons including costs incurred by the employer in relation to pension strain on fund costs.

The closing date for responses was 27 August and the government appears to be considering those responses as nothing further has been heard. If any legislation is to result from this, it is unlikely to be until 2016 at the very earliest.

- 2.2 Whilst the Government says it recognises that exit payments are important in helping employers facilitate reform and react of new circumstances while providing support for employees to help bridge the gap to new employment, it wishes to ensure that exit payments are proportionate and provide value for money.
- 2.3 It is proposed that the cap will apply to:
  - A cash lump sum, such as a redundancy payment in cases of voluntary or compulsory redundancy, or a compensation payment in cases of other voluntary exit.
  - The costs associated with early access to an unreduced pension.
  - Non-financial and other benefits, for example, where an employer offers other benefits such as additional paid annual leave at the end of employment.
  - Payments in lieu of notice.
  - Payments relating to the cashing up of outstanding entitlements, such as untaken leave or allowances.
- 2.4 Clearly any current severance policy of the Councils would be subject to statutory requirements including any new approaches agreed by government if and when measures such as the one described above come into effect.

#### 3 **EQUALITIES IMPACT ASSESSMENT**

3.1 If there is a change to the law governing severance payments it is assumed the government will have carried out its own EIA although the change will have been constructed on a fair and equitable basis as it applies to all those employed in the public sector.

#### 4 STRATEGIC RISK MANAGEMENT ISSUES

4.1 To be identified in any future report if there is a change to the legislation.

#### **Background Papers**

<u>Contact for further information</u> Tony Madden, Corporate Services: HR - 01344 352049

tony.madden@bracknell-forest.gov.uk

## Agenda Item 10

By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A of the Local Government Act 1972.



By virtue of paragraph(s) 1, 3 of Part 1 of Schedule 12A of the Local Government Act 1972.



## Agenda Item 11

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

