

TO: EMPLOYMENT COMMITTEE
5 JULY 2017

REDUNDANCY AUTHORISATION – PROPOSED CHANGES
Director of Corporate Services (HR)

1 PURPOSE OF REPORT

- 1.1 To propose a change in the authorisation required to make redundancies and to indicate the implications and issues involved in such a change.

2 RECOMMENDATIONS

- 2.1 **That Employment Committee agrees that the final authorisation for non-schools redundancies should be made at Corporate Management Team (CMT), with the exception of Senior Officers' redundancies which will continue to be authorised at Employment Committee.**
- 2.2 **That Employment Committee notes and agrees to the necessary changes to policies and documents consistent with this change, and acknowledges the need to ensure that Local Joint Committee are still consulted on final reports prior to CMT decisions on redundancies. Exercises currently under way will complete under existing arrangements while the necessary policy changes are made.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The Council's constitution does not require Employment Committee to approve all redundancies (outside schools) although custom and practice has been that they have done so for a number of years. Were CMT to give final authorisation on non-schools redundancies it would simplify the processes and decision making involved, avoid the same issue being debated multiple times to achieve a change which includes redundancies and effecting the decision sooner and thereby making additional savings.
- 3.2 As part of the Organisational Development Strategy, reviewing the Council's processes and systems is a priority in order to modernise and transform the way we work and in particular make decisions. Decisions on redundancies in particular, have been examined closely due to the pace of change within the Council and the existing decision making process being out of step and slowing down the pace and implementation of change. Officers are being encouraged to simplify processes where possible to achieve better utilisation of resources and speed up decision making. This would appear to be one such opportunity. The constitution does not specifically require individual redundancies to be approved by Employment Committee although this has been our practice for some years.
- 3.3 The Scheme of Delegation lists as part of the management delegations to Directors the authority to "appoint, manage and dismiss staff, save in respect of appointment and dismissals of Senior Officer posts reserved for Member appointment". A redundancy is a dismissal in law. The Employment Committee terms of reference in turn refer to "Excepting human resource policies, to determine all matters relation to the employment or dismissal of staff which do not fall to be deal with by officers

under the Scheme of Delegation". Thus under the legal definitions of dismissal, only redundancies of Senior Officers would fall to the Employment Committee to decide. Neither document makes explicit reference to the authorisation of redundancies specifically. No change to the wording of either of these documents would therefore appear to be necessary to achieve the change in respect of authorisation of redundancies.

- 3.4 Often redundancy proposals are closely aligned to service changes which have to be separately considered and approved. Employment Committee may be asked to approve redundancies which are an inevitable result of the closure of a facility or site which has been debated and approved elsewhere. Alternatively it may be agreeing the redundancies only subject to a later final decision to close a facility or site, with the redundancies therefore being conditional on further discussions in other forums and on securing an urgent action document from the Chairman to confirm the conditional approval. The process can be convoluted and also frustrating for the Members involved, who feel they are being asked to "rubber stamp" decisions made elsewhere, and involves duplication of effort by Members and officers alike.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Remain as current.

5 SUPPORTING INFORMATION

- 5.1 Employment Committee to agree to CMT taking on the responsibility for giving final approval to redundancies and their costs in any given exercise, in accordance with council severance policies. They currently consider such proposals prior to forwarding them to Employment Committee for official authorisation. Formal notice to individuals could then be given to individuals following appropriate consultation and the CMT approval instead of only following the Employment Committee decisions.
- 5.2 There is currently a time-lag of 4-6 weeks between CMT seeing the redundancy proposals and Employment Committee making the decisions. This not only prolongs the uncertainty for the employees concerned but also directly costs additional salary because notice cannot be given until after the Committee date. The Borough Treasurer considers that the 4-6 week delay, on the set of proposals before the Employment Committee, has cost £65,000 in salary costs.
- 5.3 It is extremely rare that Employment Committee refuses to authorise a redundancy – there has not been such a situation in over 15 years. Since the amount of the severance payment is dictated by applying severance policies and pension discretions agreed by Employment Committee within the constraints of employment law and national pension rules, there is also nothing to decide in relation to the level of payment applied. Using Employment Committee to give final authorisation for the payment therefore appears to add little additional value to counterbalance the costs of having a longer authorisation process.
- 5.4 Local Joint Committee is currently closely linked to the dates of Employment Committees, and the unions will need to be consulted on how this could in future be timed and geared to getting their formal comments on the final reports prior to a CMT decision.

- 5.5 Although the Scheme of Delegation and the terms of reference of the Employment Committee appear to require no amendment (see 3.3 above), some Council policies and statutory documents refer to final approval of redundancies being made at Employment Committee. The policies include the Organisational Change Protocol, and the Redundancy Handling Policy, and the statutory Pay Policy Statement. Recommendation 2.2 authorises officers to make necessary changes to these documents to reflect the change in authorisation and publish them to the intranet.
- 5.6 Employment Committee would remain responsible for decisions related to terms and conditions of employment and key employment policies, including the severance policy of the authority. For approval of any severance payment over £100,000 which is not consistent with those policies Full Council approval would be required; this is a current legal requirement. Should the proposed national regulations on capping be implemented, severance payments of this size may no longer be possible; however, it is not clear when these regulations will be introduced. Employment Committee would also remain responsible for authorising redundancy dismissals of Senior Officers, as stipulated in the Terms of Reference.
- 5.7 Employment Committee would still receive summary information on numbers of early retirements authorised, as at present, as part of the annual pensions report.
- 5.8 Any changes should not be applied until after current exercises which stipulated notice would only be given after Employment Committee decisions have completed. Changing the arrangements without due consultation with the unions and formal amendment of policies, might give technical grounds for arguing the Council had not complied with its own policy requirements at any Employment Tribunal; and would also potentially cause confusion and disruption of plans for At Risk Individuals, whose proposed leave dates and severance payments are geared to a final decision being made at Employment Committee and communicated to them the following day.
- 5.9 Schools are not included in or affected by the proposed changes. In a school the proposal is typically made by a Head Teacher, the matter is referred to the Teachers Association for discussion by the appropriate unions, and the final approval is given by the Governing Board. This will not change and indeed is not subject to the same complications as described above.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The recommendations in the report reflect the current constitutional position which has been departed from through custom and practice in recent years. In addition to the financial benefits that will accrue there are no adverse consequences on the Council's capacity to meet legal requirements around redundancy selection.

Borough Treasurer

- 6.2 In previous years any significant staffing changes have tended to be agreed as part of the annual budget cycle, meaning that it was relatively straightforward to schedule in meetings of the Employment Committee at key dates. Like most other Councils, Bracknell Forest plans to secure most of the savings needed to balance future budgets through the projects included in the Transformation Programme, which are being progressed to different timescales determined by their complexity and resource requirements. This means that significant staffing changes can now happen at any

time of the year, meaning the Council's procedures and working practices need to be more flexible.

The scale of changes means that any delay to decisions tends to have a material financial implication. As an example, the full scale of all staffing changes scheduled to be presented to the Employment Committee in early July equates to around £65,000 per month. The changes proposed in this paper to streamline decision making therefore have the potential to generate additional savings of many tens of thousand pounds in a year.

Equalities Impact Assessment

- 6.3 There is no adverse impact on any particular group of staff.

Strategic Risk Management Issues

- 6.4 None other than the issues raised in the report about delay to decisions and the associated expense.

Other Officers

- 6.5 None

7 CONSULTATION

Principal Groups Consulted

- 7.1 CMT. Union consultation to follow

Method of Consultation

- 7.2 Report to CMT

Representations Received

- 7.3 None to date

Background Papers

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