

ETHICAL GOVERNANCE AND PERSONNEL COMMITTEE –

UPDATED REDUNDANCY AND REDEPLOYMENT POLICY AND PROCEDURE

REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)



Hinckley & Bosworth
Borough Council

A Borough to be proud of

1. PURPOSE OF REPORT

To present the revised Redundancy and Redeployment Policy and Procedure.

2. RECOMMENDATION

That the revised policy is adopted.

3. BACKGROUND TO THE REPORT

3.1 Changes in legislation and the Local Government Pension Scheme along with the economic downturn, and its effect on local government budgets and workforce planning, require the Council to update its two policies this being the Redundancy Policy and Severance Scheme.

3.2 To provide some statistical context, the impact over the last four years is as follows:

- 43 employees have been made redundant over the last four years. All redundancies except for one have been made on a voluntary basis and in each case all payments have been enhanced.
- Most retirements (20 employees) have been due to age, with the age range being between 59 – 77 years.
- There has been only one early retirement in the last four years, this maybe due to staff having access to voluntary redundancy, which is more of an advantageous financial route for employees to pursue.
- 7 employees in total have retired on ill health grounds

3.3 The Council has been successful in avoiding compulsory redundancies during the last three years by effective use of vacancy management and providing opportunity for those staff approaching retirement to apply for Voluntary Redundancy. This has allowed the Council to retain the skills and maintain positive staff morale. The revised policy has been updated to reflect this strategic approach by providing a robust framework for managers and to ensure best practice.

3.4 The revised policy also consolidates both policies. The first part of the revised policy focuses on redundancy and guides the manager through each stage of the redundancy process. The second part of the revised policy refers to severance pay, should an officer leave the authority on redundancy grounds or early retirement. In regard to severance arrangements, in order to support the strategic approach to encourage voluntary redundancy should an 'at risk' situation emerge, it is proposed that the Council maintains its current severance arrangements. (The policy to pay redundancy based upon actual weekly pay (rather than the statutory amount). In terms of calculating the number of weeks/service the statutory table will be used to calculate the weekly entitlement which is enhanced by a multiplier 1.5 years).

3.5 The current severance scheme however does make numerous references to the pension regulations, which over the last few years have been drastically overhauled. Given the extent upon which pension scheme has changed and the potential to change again in the future, the revised policy no longer contains detailed information in regards to access to pension. Alternatively, the policy 'signposts' the employee to contact HR for specific pension information should they consider early retirement or voluntary redundancy.

4. FINANCIAL IMPLICATIONS [AB]

4.1 There are no financial implications specific to this report. Financial implications arising from particular redundancy or redeployments are considered at that time.

5. LEGAL IMPLICATIONS [LH]

Contained within the body of the report, the legal implications of particular redundancy or redeployments are considered at that time.

6. CORPORATE PLAN IMPLICATIONS

This policy supports the Medium Term Financial Strategy.

7. CONSULTATION

Consultation also took place with the local branch of Unison and GMB.

8. RISK IMPLICATIONS

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

None

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

The policy reflects the Age Equality legislation

10. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account the HR implications.

Background papers: None

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