

<b>Classification</b>	<b>Item No.</b>
Open	

<b>Meeting:</b>	Cabinet
<b>Meeting date:</b>	15 <sup>th</sup> March 2023
<b>Title of report:</b>	Restructure of the Finance Department – Approval of redundancy cost
<b>Report by:</b>	Cllr. Richard Gold, Cabinet Member for Finance & Communities Cllr. Tahir Rafiq, Cabinet Member for HR & Corporate Affairs
<b>Decision Type:</b>	Council
<b>Ward(s) to which report relates</b>	None

**Executive Summary:**

In March 2022 Cabinet approved proposals for the restructure of the Council’s Finance Department subject to a 90 day consultation period with staff. The restructure aimed to create and develop a high performing team which supports all budget holders and activities within the Council to ensure financial discipline, grip and control. This was a complex restructure involving circa. 150 employees with the aim of delivering a new, fit-for-purpose structure within the existing budget envelope.

Following consultation, the final restructure proposals were agreed and work to populate and implement the new arrangements has been ongoing for a number of months now with the new operating model becoming operational, on a phased basis, from January of this year.

The initial consultation report agreed by Cabinet noted a maximum redundancy impact from the proposals of 9 FTE. Following consultation and the recruitment and selection process for the new structure this eventual redundancy risk has been reduced to 4 FTE. One individual has already left the Council by means of redundancy and two others are currently being supported through the redeployment process. - This report deals with the fourth of these individuals for whom redundancy costs (including the capital costs associated with the early release of pension benefits) total more than £100k.

In accordance with the requirements of the section 38 of the Localism Act 2011 and associated statutory guidance as well as the Council’s Pay Policy Statement, the approval of redundancy costs of £100k or greater is a matter for Council.

This report request that cabinet supports payment of the redundancy costs associated with the post of Service Development Manager, within the Revenues and Benefits Service and commends this proposal for Council for their agreement. This individual is legally redundant. Subject to Council approval they will be supported to identify an alternative role via the Council's redeployment process. Should they do so the redundancy will not proceed and no payment will be made.

It should be noted that this individual's redundancy is not a matter of choice, but rather is the outcome of the application of the Council's agreed restructure process and compliant with the provisions of Employment Law.

Under the terms of the Local Government Pension Scheme, pension scheme members who are made redundant after the age of 55 are entitled to access their full pension without any actuarial reduction, the cost of which falls to the council together with any associated redundancy lump sum payment. This individual is in this position and the associated redundancy costs include:

- £23,916.76 which will be met from the Finance Department's budget
- £112,049.75 in capital costs associated with the early release of pension benefits which will be funded via the Council's annual fund for such payments held centrally with the Greater Manchester Pension Fund.

### **Recommendation(s)**

That Cabinet commends approval of the costs associated with the proposed redundancy of the post of Service Development Manager, Revenues and Benefits to Council for approval.

### **Community impact/links with Community Strategy**

The new finance service will develop internal behaviours and service capabilities to support services to deliver the LET'S do it! Strategy and Plan. This proposal supports work to implement this new service model.

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### **Equality Impact and considerations:**

*Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:*

*A public authority must, in the exercise of its functions, have due regard to the need to -*

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

*The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.*

<b>Equality Analysis</b>	The redundancy process will be applied in accordance with Council Policy and the provisions of employment law, which have been subject to full equality impact assessment.
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**Assessment of Risk:**

The following risks apply to the decision:

<b>Risk / opportunity</b>	<b>Mitigation</b>
<p>Council does not approve the proposed redundancy:</p> <ul style="list-style-type: none"> <li>• The staff member could resign and claim constructive dismissal for breach of trust and confidence on the ground that they had been deprived of a redundancy payment and the associated pension contributions.</li> <li>• A role would need to be identified for the individual outside of the agreed structure at additional cost to the Council.</li> </ul>	Approval of the proposals as set out.

**Consultation:**

The restructure proposals were subject to 90 days consultation with affected staff in accordance with the council's restructure procedure.

**Legal Implications:**

The Supplementary Guidance (Openness and Accountability in Local Pay) supplements the existing pay accountability guidance published in February 2012 which requires Local authorities to present details of any severance package paid to an officer where the value of the package exceeds £100,000. In accordance with the Council constitution approval of the severance package is subject to agreement by Council.

**Financial Implications:**

All actions to minimise redundancies as part of the finance restructure have been undertaken. Unfortunately, a small number of redundancies could not be avoided. This is

the only redundancy whose costs are sufficient to reach the reporting and authorisation threshold to Cabinet. The costs of the redundancy will be met from the service budget with the capital costs of the pension being met from the centrally held fund.

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