

Classification	Item No.
Open	

Meeting:	Cabinet
Meeting date:	12 th July 2023
Title of report:	Restructure of the HR Department – Approval of redundancy cost
Report by:	Cllr. Tahir Rafiq, Cabinet Member for HR & Corporate Affairs
Decision Type:	Council
Ward(s) to which report relates	None

Executive Summary:

The Council’s 2023/24 budget includes a total of £1.079m in savings from a review of service structures and operating models in the Corporate Core, with £250k of these savings aligned to the HR Service (£150k in 23/24 and £100k in 24/25).

Delivery of the 23/24 proportion of these savings is being achieved through a combination of a review of the Council’s Occupational Health service and a restructure of the wider HR Service. – The HR Service restructure has been developed cognisant of the below key objectives for the Service 2023/24:

1. Continuing work to ensure the service consistently get the basics right and ensure systems, processes and policies are robust, clear and customer focused and that all possible opportunities posed by the Council’s wider digital transformation are taken advantage of.
2. Development and delivery of a new People Strategy for the Council which focuses on ensuring the Authority develops, attracts and retains the capacity, capabilities and culture necessary to deliver on our Corporate Plan and wider LET’S Do It! objectives.
3. Providing business partner support to the Council at large with the workforce elements of our wider corporate priorities including:
 - Delivery of the 23/24 MTFS and the associated circa. £30m in budget savings

- The Children's Improvement journey, including stabilisation of the Children's Social Care workforce and transformation of the Education and SEND functions.
- The continued transformation of our Adult Care functions, in the context of a huge change in the associated legal and regulatory framework and continued integration with health
- The potential transfer of the Council's housing function from Six Town Housing back under Council leadership
- Ensuring the Council leads by example as a large employer in the borough through our approach to good employment, supported employment and social value.

Consultation with affected staff on the service restructure began on 3rd May 2023, following approval by the Cabinet Member for HR and Corporate Affairs and with the support of the Trade Unions, and ended on 1st June 2023. Feedback is currently being provided to staff and revisions made to the proposals in response to this feedback as required.

The consultation report agreed noted a maximum redundancy impact from the proposals of 3 FTE, one of which would lead to redundancy costs (including the capital costs associated with the early release of pension benefits) which 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 Strategic Lead (Human Resources) and commends this proposal to Council for their agreement. Subject to Council approval the individual 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.

As well as delivery of the required savings, the proposed HR structure brings the services operating model in-line with the organisation's agreed design principles in relation to management layers and spans of control. It also reduces the number of Chief Officer level roles within the structure from two to one.

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:

- £37,409 which will be met from the HR Service’s budget
- £96,278 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.

The wider, post consultation, proposals for implementation of the HR restructure are subject to approval by the Cabinet member for HR and Corporate Affairs under their delegation.

Recommendation(s)

That Cabinet commends approval the costs associated with the proposed redundancy of the post of Strategic Lead (Human Resources) to Council for approval.

Community impact/links with Community Strategy

This proposal will enable the deliver of the budgetary savings required by the HR Service and, in turn, support the implementation od a fit-for-purpose structure to drive forward the Council’s workforce priorities.

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

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

Equality Analysis	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:

Risk / opportunity	Mitigation
<p>Council does not approve the proposed redundancy:</p> <ul style="list-style-type: none"> • 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. • A role would need to be identified for the individual outside of the agreed structure at additional cost to the Council. 	<p>Approval of the proposals as set out.</p>

Consultation:

The restructure proposals was subject to 30 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:

These costs are in accordance with the original proposals. The costs of the redundancy will be met from the service budget before the delivery of in year savings with the capital costs of the pension being met from the centrally held fund.

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