

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 12 February 2025
Subject:	Restructure of the Revenues and Benefits Department – Approval of redundancy cost	
Report of	Cabinet Member for Corporate Affairs and HR	

Summary

1. A full service redesign of the Revenues and Benefits service began in Autumn 2024. Consultation with affected staff on the restructure proposals began on 18th October 2024 following approval by the Cabinet member for HR and Corporate Affairs and with the support of the Trade Union and ended on 16th November 2024. Feedback has been collected and provided to staff, resulting in minimal revisions to the proposals.
2. At the management level, because of the significant transformation of the service required, including a move to generic and integrated roles which work across the full spectrum of the Service, staff were not directly matched to new roles following a detailed review of job descriptions. In accordance with Council Policy those in scope were therefore offered the opportunity to express an interest in voluntary redundancy throughout the consultation process.
3. Three individuals expressed an interest in voluntary redundancy through this process where the costs of release (including the capital cost associated with the early release of pension benefits) total more than £100k. Therefore, in accordance with the requirement of section 38 of the Localism Act 2011 and associated statutory guidance as well as the Council's Pay Policy statement, approval of these applications is a matter for Council.
4. The associated costs are set out below:

Post	Capital Costs	Severance Costs
Revenues Billing and Recovery Team Leader	£83,154	£19,532
Revenues and Billing Recovery Manager	£155,623	£25,727
Benefits Team Leader	£102,758	£24,727

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. These 3 individuals are in this position and the associated redundancy costs include:

- £64,720 which will be met from the service's budget
- £341,535 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)

5. This report therefore requests that Cabinet supports payment of the redundancy and capital costs associated with the aforementioned staff and commends this proposal to Council for their agreement.

The wider, post consultation, proposal for implementation of the restructure have been subjected to approval by the Cabinet Member for HR and Corporate Affairs under their delegation.

Reasons for recommendation(s)

6. The offer of voluntary redundancy has been made in accordance with Council Policy.

Alternative options considered and rejected

7. To refuse the three applications based on cost.

The staff members could resign and claim constructive dismissal for breach of trust and confidence on the grounds that they had been deprived of a redundancy payment and the associated pension contributions.

Report Author and Contact Details:

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Department: Corporate Core (Finance)

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Background

8. A full-service redesign of the Revenues and Benefits service began in October 2024, primarily to enable delivery of significant improvements in the collection of council income across all collection streams – including an additional £800,000 per annum in Council Tax income, and with the following existing and emerging challenges as key drivers:

9. The advent of Universal Credit (UC) and continued migration of residents from Housing Benefit to Universal Credit has resulted in significant reductions in both Housing Benefit caseload and Housing Benefit Administrative Subsidy funding from the DWP. With migration due to accelerate until all standard working-age claimants are transferred across by December 2025. In addition, the government has announced that pension-age Housing Benefits will be combined with Pension Credits, which as a consequence will almost completely remove Housing Benefit administration as a Local Authority responsibility.
10. The country's economic and sociological landscape has altered significantly in recent years. Austerity measures have also seen Council budgets and subsequent resource considerably reduced. The Council's current financial position means that the effective and efficient collection of our income has never been more critical with significant increases in collection across Council Tax, Housing Rents, Business Rates, Adult Social Care and wider Sundry debts required to safeguard future budgetary requirements.
11. More recently the COVID pandemic and Cost of Living crisis has led to increasing numbers and demographics struggling to pay bills and access support, with the council attempting to collect vital income from residents whilst simultaneously yet independently striving to support them through welfare support. This necessitates a more innovative approach to providing support, advice and services to residents whilst maximising the collection of income vital to the continued provision of council services.
12. The redesign is being undertaken in two phases (Phase One - Management followed by Phase Two - Wider teams), with the intention that the redesign is complete within the financial year to allow improvement plans to be implemented from April 2025.
13. The scope of these changes covers all areas of the service, including the Accounts Payable and Receivable functions and Rent Income team from the Housing service which have both transferred under the leadership of the Head of Corporate Collections and Support. Through the integration of this work into a single transactional centre of excellence the intention is to deliver significant efficiencies with Phase One of the redesign delivering revenue savings of £181K in 2025/26.

Links with the Corporate Priorities:

Please summarise how this links to the Let's Do It Strategy.

14. Inclusive Economic Growth - The proposal will help enable key improvement strategies linked to the increase of council income collection

15. Reducing Inequalities and Improving Children’s Lives – the proposal will also enable key improvement strategies linked to the development of the council's welfare offer for residents

Equality Impact and Considerations:

Please provide an explanation of the outcome(s) of an initial or full EIA and make **specific reference regarding the protected characteristic of Looked After Children**. Intranet link to EIA documents is [here](#).

16. 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.

Environmental Impact and Considerations:

Please provide an explanation of the Environmental impact of this decision. Please include the impact on both **Carbon emissions** (contact climate@bury.gov.uk for advice) and **Biodiversity** (contact c.m.wilkinson@bury.gov.uk for advice)

17. N/A

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Council does not approve the proposed redundancy: The staff members 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.	Approval of the proposal as set out.

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.

Appendices:

Please list any appended documents.

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning