



# Northumberland County Council

## STAFF & APPOINTMENTS COMMITTEE

15<sup>th</sup> August 2022

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### Recommended Approval of the Voluntary Redundancy of the Director of Transformation.

Report of the:

Interim Executive Director for Communities and Business Development  
and Senior HR Manager

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#### **1. Purpose of the Report**

1.1 This report sets out the current position following discussions that have been had with, and at the instigation of, Mrs Allison Joynson, the Director of Transformation surrounding her voluntarily taking redundancy from the Council.

#### **2. Recommendations**

##### **2.1 Members are asked to agree the following recommendations:**

- 1) To approve the voluntary redundancy application of Mrs Joynson, following the business case approval attached as Appendix 1 by the Interim Chief Executive and Section 151 Officer

And

- 2) To recommend to Full Council that Mrs Joynson's application for voluntary redundancy is approved on the grounds as set out in paragraphs 3.6 to 3.8 below and following the approval of a business case as attached at Appendix 1

### **3. Key Issues and Background**

- 3.1 Mrs Joynson joined the Council in April 2017 under the job title of 'Director of International Projects and System Transformation' with the responsibility for managing the International Business of the Council.
- 3.2 In December 2018, her job title was changed to 'Director of Transformation', though the International Business remained the largest part of her portfolio of work. Her current annual salary is £160,360.00 (£214,820 including on costs of Employers pension and NI contributions)
- 3.3 Mrs Joynson requested voluntary redundancy (VR) in May 2022, but on receipt of the estimated figures, did not wish to pursue it at that point.
- 3.4 Mrs Joynson has again requested VR. Initially, and via her Trade Union representative, as well as the amounts that Mrs Joynson is statutorily entitled to, she requested an additional payment equivalent to 3 months gross salary (£40,060), effectively as compensation for loss of office.
- 3.5 Mrs Joynson's request was considered against a number of factors.
- 3.6 Firstly, at the present time, there is no international work taking place and there is no viable pipeline development. Mrs Joynson has been supporting other mainstream research work in Adult Care, however this is not comparable work to the job banding and would be better undertaken at a much lower level. In essence, it appears that the work associated with the role has all but ceased, and the post legally could be classed as redundant.
- 3.7 Following the Caller and Section 114 reports the international business is under review and without pre-empting the outcome or any subsequent Cabinet decision, there is a possibility that the work would be stopped. Should that be the decision, a redundancy situation would follow. If the decision was to continue the work a more cost effect delivery alternative would be found.
- 3.8 There are no outstanding issues of a disciplinary nature.
- 3.9 On 26<sup>th</sup> July 2022, a protected conversation under S111a of the Employment Rights Act took place between Mrs Joynson, her Trade Union representative, and the report authors. Management side acknowledged Mrs Joynson's request for VR and made it clear that following the S114 and Caller reports the international business was under review, and without pre-empting the outcome or any subsequent Cabinet decision, there was a possibility that the work would be stopped. In that scenario, it was explained that Mrs Joynson would be at risk of being made redundant on a compulsory basis. Mrs Joynson accepted and understood that position.
- 3.10 As such, and following prior agreement between Executive Directors, HR and Legal, it was made clear to Mrs Joynson that her VR request was supported and all statutory entitlements that came with it, however, any requests in addition to this would not be supported. To do so would move the agreement in to a 'special severance payment' a provision which has recently been introduced by the Government.

3.11 Mrs Joynson indicated that whilst she was aware that if she were made compulsorily redundant, she would be entitled to be considered for redeployment, she would prefer not to continue in any role within the authority.

3.12 Subsequently, Mrs Joynson has been offered VR under the Council's normal processes, pending agreement by the Staffing and Appointments Committee and, because the package is worth over £100k, this would also need to be agreed by Full Council.

3.13 A business case has been submitted to the Interim Chief Executive and Section 151 Officer outlining the background and financial justification. This was agreed through the usual internal HR recorded process (ref ORZ4IJ5) approved on 8th August 2022 pending agreement from Staff and Appointments Committee and Full Council.

3.14 The Business Case is appended (Appendix 1). There is also a Part 2 appendix which includes information of a confidential nature. The estimated cost of the redundancy package, based on a leaving date of 30 September 2022, is as follows:

- A redundancy payment of £23,065.50
- Early release of pension with the Council paying the strain cost of £145,499.20.
- Total package = **£168,564.70**

3.15 Mrs Joynson is also entitled to the following, which do not come under the costs for the redundancy package:

- Pay in lieu of 12 weeks' notice of £36,904.80
- Any accrued but untaken annual leave paid at the termination date (currently estimated at there being 103.4 hours owing = £8594.48)
- Any early termination fee for the NHS Fleet Solutions vehicle Mrs Joynson has (waiting on figure from NHS but expected to be less than £1000).

3.16 It should be noted that irrespective of whether Mrs Joynson were to leave under voluntary or compulsory redundancy, the payment schedule laid out above would be the same and in any event are what Mrs Joynson is legally entitled to in a redundancy situation, except for the early termination fee associated with her leased vehicle, however, it is custom and practice within the Council to cover this for any member of staff made redundant.

3.17 The 'payback period' for Mrs Joynson (i.e., the amount of time it will take for the savings made from not paying her salary to cover the cost of her exit), is in the region of 0.8 years. The Council's general rule is that anything under 2 years represents value for money. If Mrs Joynson's pay in lieu of notice and outstanding holiday pay is factored in, then the payback period increases to 1 year.

3.18 In total, if Mrs Joynson's VR is approved, the cost is estimated to be:

- Redundancy payment = £23,065.50
- Early release of pensions = £145,499.20

- Pay in lieu of notice = £36,904.80
- Accrued but untaken leave = £8594.48
- Early termination fee for NHS vehicle £1000\* (paid direct to NHS)
- **Total = £215,063.98**

\*Figure over estimated

#### **4. Pay Policy**

4.1 The Council's pay policy states:

*"The Staff and Appointments Committee has delegated authority from the Full Council to approve severance and redundancy payments for Chief and Deputy Chief Officers. For clarity, this requirement applies to all those posts that fall into the scope of s43 of the Localism Act and all Heads of Service. All exit packages over 100k will be approved by Full Council."*

4.2 It is therefore incumbent on the Staff and Appointments Committee to decide whether to approve this voluntary redundancy application from Mrs Joynson.

#### **5. Link to Corporate Plan**

5.1 Following the Caller and Section 114 reports the international business is under review and without pre-empting the outcome or any subsequent Cabinet decision, there is a possibility that the work would be stopped. Should that be the decision, a redundancy situation would follow. If the decision was to continue the work, a more cost effect delivery alternative would be found.

#### **6. Implications**

<b>Policy</b>	The process has followed the Council's Management of Organisational Change Policy and Redundancy Policy.
<b>Finance and value for money</b>	<p>The 'payback period' for Mrs Joynson (I.e. the amount of time it will take for the savings made from not paying her salary to cover the cost of her exit), is in the region of 0.8 years. Factoring in pay in lieu of notice and untaken leave increases that to 1 year. The Council's general rule is that anything under 2 years represents value for money.</p> <p>The best value duty, as set out in section 3 of the Local Government Act 1999 ("the 1999 Act"), provides that "A best value authority must</p>

	<p>make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The best value duty is relevant to local authority duties to deliver a balanced budget (Part 1 of the Local Government Finance Act 1992), provide statutory services and secure value for money in spending decisions.</p>
<b>Legal</b>	<p>Under s2 of the Local Government and Housing Act 1989 the Staff and Appointments Committee discharges the Council's functions of the employer in relation to the Chief and Deputy Chief Officers. The Committee must also approve any voluntary severance, settlement or ex-gratia payment to be made to any Chief or Deputy Chief Officer.</p> <p>The definition of a redundancy is as follows: The dismissal of an employee will be by reason of redundancy if it is "wholly or mainly attributable to" the employer:</p> <ul style="list-style-type: none"> <li>• Ceasing or intending to cease to carry on the business for the purpose of which the employee was employed by it (business closure)</li> <li>• Having a reduced requirement for employees to carry out work of a particular kind or to do so at the place where the employee was employed to work (reduced requirement for employees)</li> </ul> <p>The proposed payments owed to Mrs Joynson are legal requirements in a redundancy situation. The process has followed the Council's redundancy policy which is reviewed regularly in accordance with The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations.</p>
<b>Procurement</b>	n/a
<b>Human Resources</b>	The process has followed the Council's Management of Organisational Change Policy and Redundancy Policy.
<b>Property</b>	N/A
<b>Equalities</b> (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	Mrs Joynson approached the Council initially and is the only post holder.
<b>Risk Assessment</b>	N/A
<b>Crime &amp; Disorder</b>	N/A
<b>Customer Consideration</b>	N/A
<b>Carbon reduction</b>	N/A

<b>Health and Wellbeing</b>	N/A
<b>Wards</b>	N/A

**Report sign off.**

***Authors must ensure that officers and members have agreed the content of the report:***

	Full Name of Officer
Monitoring Officer / Interim Director of Governance	Suki Binjal
Executive Director of Finance & S151 Officer	Jan Willis
Interim Chief Executive	Rick O'Farrell
Portfolio Holder(s)	Staff & Appointments Committee

**Authors and Contact Details**

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## **Voluntary Redundancy Business Case for Approval**

**5 August 2022**

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### **Recommended Approval of the Voluntary Redundancy of the Director of Transformation, Allison Joynson.**

Report of the:

Interim Executive Director for Communities and Business Development  
and Senior HR Manager

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#### **Recommendations**

**Chief Executive and Section 151 Officer are asked to agree the following recommendations and approve the submission of the case on Oracle.**

- 1) To approve the voluntary redundancy application of Mrs Joynson based on the information provided demonstrating best value and in line with NCC policy.
- 2) Report for Staffing and Appointments Committee prepared for submission to next meeting on 15 August 2022

#### **Key Issues and Background**

- Mrs Joynson joined the Council in April 2017 under the job title of 'Director of International Projects and System Transformation' with the responsibility for managing the International Business of the Council.
- In December 2018, her job title was changed to 'Director of Transformation', though the International Business remained the largest part of her portfolio of work. Her current annual salary is £160,360.00 (£214,820 including on costs of Employers pension and NI contributions)
- Mrs Joynson requested voluntary redundancy (VR) in May 2022, but on receipt of the estimated figures, did not wish to pursue it at that point.
- Mrs Joynson has again requested VR. Initially, and via her Trade Union representative, as well as the amounts that Mrs Joynson is statutorily entitled to, she requested an additional payment equivalent to 3 months gross salary (£40,060), effectively as compensation for loss of office.

- On 26<sup>th</sup> July 2022, a protected conversation under S111a of the Employment Rights Act took place between Mrs Joynson, her Trade Union representative, Maureen Taylor Executive Director, and Andrew Meikle, Senior HR Manager. Management side acknowledged Mrs Joynson's request for VR and made it clear that following the S114 and Caller reports the international business was under review and without pre-empting the outcome or any subsequent Cabinet decision, there was a possibility that the work would be stopped. In that scenario, it was explained that Mrs Joynson would be at risk of being made redundant on a compulsory basis. Mrs Joynson accepted and understood that position.
- As such, and following prior agreement between Executive Directors, HR and Legal, it was made clear to Mrs Joynson that her VR request including all statutory entitlements, was supported subject to StAC and Full Council agreement. However, nothing above that would be offered. To do so would move the agreement in to a 'special severance payment' a provision which has recently been introduced by the Government. There is no reason to offer Mrs Joynson any additional payment.
- There is no need, nor indeed desire on Mrs Joynson's part, to enter into a settlement agreement. Mrs Joynson also indicated that whilst she was aware that if she were made compulsorily redundant, she would be entitled to be considered for redeployment, she would prefer not to continue in any role in the authority.
- Subsequently, Mrs Joynson has been offered VR under the Council's normal processes, pending agreement by the Staffing and Appointments Committee and, because the package is worth over £100k, Full Council.
- Following the Caller and Section 114 reports the international business is under review and without pre-empting the outcome or any subsequent Cabinet decision, there is a possibility that the work would be stopped. Should that be the decision, a redundancy situation would follow. If the decision were to be to continue the work and more cost effect delivery alternative would be found.

#### Financial Impact

- The estimated cost of the redundancy package, based on a leaving date of 30 September 2022, is as follows:
- A redundancy payment of £23,065.50
- Early release of pension with the Council paying the strain cost of £145,499.20.
- Total package = **£168,564.70**
- Mrs Joynson is also entitled to the following, which do not come under the costs for the redundancy package:
- Pay in lieu of 12 weeks' notice of £36,904.80
- Any accrued but untaken annual leave paid at the termination date
- Any early termination fee for the NHS Fleet Solutions vehicle Mrs Joynson has.
- It should be noted that irrespective of if Mrs Joynson were to leave under voluntary or compulsory redundancy, the above payments would be the same and are what Mrs Joynson is legally entitled to, except for the early termination

fee associated with her vehicle, which is custom and practice within the Council to cover for any staff made redundant.

- The payments owed to Mrs Joynson are legal as they are what she is statutorily entitled to when being made legitimately redundant which is the case here.
- The process has followed the Council's usual policies
- The total sum :- including all payments = **£215 063.98**
  
- The 'payback period' for Mrs Joynson (i.e. the amount of time it will take for the savings made from not paying her salary to cover the cost of her exit), is in the region of 0.8 years. The Council's general rule is that anything under 2 years represents value for money. If Mrs Joynson's pay in lieu of notice and outstanding holiday pay is factored in, then the payback period increases to 1 year.

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