



Northumberland County Council

COUNTY COUNCIL

22nd February 2023

Approval of Voluntary Redundancy Requests

Report of the Chief Executive and Interim Head of HR/OD

1. Purpose of the Report

1.1 This report asks Council to receive and consider the recommendations of the Staff and Appointments Committee (StAC) in respect of approving two voluntary redundancies.

1.2 The Staff and Appointments Committee met on 20 February 2023, and approved the applications for voluntary redundancy of the staff named within this report. Those staff have exit packages that exceed the £100k threshold for approval by County Council.

1.3 The full report received by Staff and Appointments Committee outlined a number of Voluntary Redundancy requests that were recommended to be progressed as they are linked to the tier 3 & 4 restructure. County Council needs to approve those where the exit package exceeds £100,000, of which there are two.

2. Recommendations

2.1 Council is asked ;

To approve the recommendation from the Staff and Appointments Committee held on 20 February 2023 to grant the voluntary redundancy requests of:

1. The Director of Housing and Public Protection, Mr Philip Soderquest
2. The Revenues and Benefits Manager, Mr Graeme Barnes

3. Links to the Corporate Plan

3.1 The Caller Report called for stability, and exercises have been ongoing to develop a permanent and sustainable structure for the top 4 tiers of the organisation. That

process has been concluded at Chief Executive and Executive Director level and the proposed structure for tiers 3 and 4 and VR requests are linked.

4. Key Issues

- 4.1 The Council has commenced formal consultation for the tiers 3 and 4 restructure and to facilitate that, the Staff and Appointments Committee met on 20 February 2023 and have approved the proposed structure, which has led to consultation with the Trade Unions and affected staff commencing on 21 February 2023.
- 4.2 To accommodate the proposed structure, a number of voluntary redundancy requests have been recommended to be approved and two of the voluntary redundancies have exit packages that exceed the £100,000 threshold meaning that they require the approval of Full Council.
- 4.3 The Director of Housing and Public Protection is a Band 17 post, and the current salary is £115,325 (£151,204 including oncosts). Under the proposed restructure, the functions of this post will be split across two directorates. Housing will be included in the Place and Regeneration Directorate, where it is proposed that there is a role for a Director of Planning and Housing. Public Protection will move into the Chief Executive's Directorate where the Public Protection service will sit within Northumberland's Fire and Rescue Service with the Chief Fire Officer being responsible.
- 4.4 There is a proposed Head of Public Protection post within the Chief Executive's Directorate structure, but this would not represent suitable alternative employment in law and therefore it is not appropriate to ringfence Mr Soderquest to this position.
- 4.5 The proposed Director of Planning and Housing post may represent suitable alternative employment. However, the current Director of Planning has also been ringfenced to this post.
- 4.6 It is normal practice in such circumstances to grant a VR request to avoid a competitive selection process where one employee wishes to leave and the other wishes to remain employed, provided that the costs are acceptable.
- 4.7 As Mr Soderquest is a Deputy Chief Officer of the Council and the total exit package is in excess of £100,000 (£187,334) it is a requirement under the Council's Pay Policy for the Staff and Appointments Committee to consider the payment for approval. That approval was given on the 20th February 2023. Full Council will now need to consider whether it is willing to approve the recommendation of the StAC. Mr Soderquest's redundancy payment is £65,245.59 and in addition there is a strain on fund payment to the Local Government Pension Scheme of £122,088.
- 4.8 It has already been identified that Mr Barnes' band 13 post is no longer required following a restructure of the Revenues and Benefits section..

4.9 The application for VR from Mr Barnes allowed the service to formalise the structure without the role in it which provided cost savings and a structure better suited to the delivery of the business. Due to the age of Mr Barnes, the strain on the fund cost to release the pension is significant and the overall cost of the redundancy and the pension strain is in excess of £100,000 (£189,046.20). This comprises a redundancy payment of £37,361.20 and a strain on fund payment to the Local Government Pension Scheme of £151,685.

Pay Policy

The Council's Pay Policy delegates to the Staff and Appointments Committee authority 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. Redundancy packages over £100,000 will be approved by full Council

Accordingly, the redundancy packages for the two employees exceeds £100,000 and their applications require full Council approval.

Implications:

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| Policy | The process has followed the Council's Management of Organisational Change Policy and Redundancy Policy. |
| Finance and value for money | <p>Staff and Appointments Committee were provided with detailed breakdown of the costs and savings associated with the restructure as a whole and the cost to the Council of approving voluntary redundancy requests for the individuals impacted by the restructure.</p> <p>In the event that Council do not approve the two VR requests that are the subject of this report, this will significantly impact on the overall affordability of the proposed restructure as savings of £240,314 per annum from the deletion of these two posts will no longer be available.</p> <p>The cost of the redundancies will be met from the Council's Restructuring Reserve.</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 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> |

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| Legal | <p>The definition of a redundancy is as follows:</p> <p>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"> • Ceasing or intending to cease to carry on the business for the purpose of which the employee was employed by it (business closure) • 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) <p>The proposed payments owed to the post holders within this report are a legal requirement 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> <p>Under the Local Government Pension Scheme Regulations 2013, if an LGPS member, aged 55 or over, is dismissed on grounds of redundancy or business efficiency, they are entitled to receive an immediate payment of an unreduced retirement pension. The LGPS Regulations require a scheme employer to make additional payments to the LGPS to meet the cost of paying the unreduced benefit. This is known as the strain on fund cost.</p> |
| Procurement | There are no procurement implications. |
| Human Resources | The process has followed the Council’s Management of Organisational Change Policy and Redundancy Policy. |
| Property | There are no property implications. |
| Equalities (Impact Assessment attached) | All applicants approached the Council and applied for voluntary redundancy and are the sole post holders. |
| Yes <input type="checkbox"/> | No |
| <input type="checkbox"/> N/A | X |
| Risk Assessment | No implications |
| Crime & Disorder | No implications |
| Customer Consideration | No implications |
| Carbon reduction | No implications |
| Health and Wellbeing | Affected employees have been supported through the process |
| Wards | The recommendations not related to any particular ward but cover the whole of Northumberland. |

Appendices

None

N/A

Linked report

Staff and appointments committee report of the 20th of February 2023 - restructure of tiers
3&4 - Consequential Redundancies.

Report sign off.

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

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| | Full Name of Officer |
| Monitoring Officer / Interim Director of Governance | Suki Binjal |
| Executive Director of Finance & S151 Officer | Jan Willis |
| Chief Executive | Helen Paterson in conjunction with the Interim Head of HR/OD |
| Portfolio Holder(s) | Staff & Appointment Committee |

Authors and Contact Details

Helen Paterson –Chief Executive and Head of Paid Service
Sarah Farrell – Interim Head of Service - HR/OD