

REPORT TO THE PERSONNEL, LICENSING AND ADMINISTRATION COMMITTEE		Report No. 11
Date of Meeting	3rd June 2008	
Title of Report	Harmonisation Of Severance Arrangements	
Link to Corporate Priorities		
Public Report	Yes	

<p>Summary of Report</p> <p>The purpose of the report is to provide the Personnel, Licensing & Administration Committee with the information necessary to make a decision on whether to harmonise of North Wiltshire District Council's severance arrangements with the other 4 Wiltshire Councils.</p>
<p>Officer Recommendations</p> <p>The Committee are asked to approve the proposed harmonised severance arrangements, as set out in paragraph 7.2 of the Redundancy Procedure 2006 at Appendix A to the report.</p>

Other than those implications agreed with the relevant Officers and referred to below, there are no other implications associated with this report.				
Financial Implications	Legal Implications	Community & Environmental Implications	Human Resources Implications	Equality & Diversity Implications
Yes	Yes	None	Yes	Yes

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1. Introduction

- 1.1 The purpose of the report is to provide the Personnel, Licensing & Administration Committee with the information necessary to make a decision on whether to harmonise of North Wiltshire District Council's severance arrangements with the other four Wiltshire Councils.

2. Recommendations

- 2.1 It is recommended that the Committee approve the proposed harmonised severance arrangements, as set out in paragraph 7.2 of the Redundancy Procedure 2006 at Appendix A to the report.

3. Background Information

- 3.1 At the meeting of the Implementation Executive on 19 March 2008 a report on severance arrangements for the Wiltshire Council was considered. The purpose of this report was to recommend severance arrangements specifically for local government reorganisation and that they be reviewed no later than April 2011. The report was and remains confidential and therefore a brief summary of the content is provided in paragraph 3.1.1.

- 3.1.1 An explanation was given on the ways that an employee can be compensated if dismissed on the grounds of redundancy. Each of the 5 Councils have decided to exercise their discretion differently. Members were also advised of possible discrimination with regard to age and the need to ensure that any arrangement can be objectively justified. The key considerations on determining redundancy and severance compensations were considered.

These included:-

- a) the continuation of existing arrangements would provide different levels of benefit and would potentially be a breach of equalities legislation;
- b) if benefits are harmonised downwards from April 2009 there would probably be employee relations implications
- c) that the likelihood of redundancies are small but it is essential to have a policy in place before any take place
- d) a favourable severance arrangement can be helpful in facilitating change

Consideration was given to affordability within the context of the contingent budget allocated by the County Council. Finally consideration was given to the provision of choice to employees over the age of 50.

- 3.2 The proposed severance arrangements were supported by the Implementation Executive. However, the Implementation Executive has no power to approve the arrangements on behalf on any of the 5 Councils. It has been agreed that were possible and practical any new policy affecting employees that is likely to be implemented in Wiltshire Council, will be adopted by each of the 5 Councils. This has been done in the case of the revised pension contributions, with each of the 5 Councils separately adopting a policy, which contained the same method for calculating the pension contribution.
- 3.3 Therefore North Wiltshire District Council's policy on Redundancy has been revised to take into account the new severance arrangements. It is understood that Wiltshire County Council will be taking their revised policy to the appropriate Committee on 23

May 2008 and the other 3 District Councils will be taking their revised policy to their respective committees in the near future.

- 3.4 Members should be aware that changing this policy does not imply that either North Wiltshire District Council or Wiltshire Council expect that there will be any redundancies.

4. Revised Severance Arrangements

4.1 The proposed changes will impact on North Wiltshire District Council as follows:

- a) the multiplier used for discretionary lump sum compensation payable on redundancy will increase from 2 times to 4 times, subject to a maximum of 104 weeks
- b) the Council will offer on redundancy to employees over the age of 50, as an alternative to a discretionary lump sum compensation payment, augmentation of pension on a graduated scale up to a maximum of 5 years
- c) the payment of discretionary compensation, will be capped at the lower cost level

All other elements of the Redundancy Procedure remain as before, including the requirement for Personnel, Licensing and Administration Committee to approve the redundancy.

5. Other Implications

5.1 Financial

If an employee is made redundant prior to the vesting of Wiltshire Council the costs will be borne by North Wiltshire District Council (NWDC) but, of course, this is merely equalised on 1 April 2009 when NWDC ceases to exist.

5.2 Legal

All current employment legislation has been taken into consideration when preparing this report and the attached appendices.

5.3 Human Resources

The Human Resources implications are contained within the body of the report.

5.4 Equality & Diversity

Severance arrangements that are age related, such as those proposed, could be challenged as discriminatory. At this time there is no case law. It is considered that these arrangements appear to be objectively justifiable.

6. Risk Analysis

There is no entitlement to discretionary compensation and it does constitute a transferable term of employment under TUPE. However, the expectations of staff are likely to be transferred. The failure to harmonise may lead to a lowering of staff morale and productivity at this key time of change. The risk of redundancy is low, as

the expectation is that staff will transfer to Wiltshire Council. However, it is essential to have a policy in place, in case redundancy becomes necessary.

Appendices:	<ul style="list-style-type: none"> • Appendix A – Early Termination of Employment by Reason of Redundancy or Efficiency of the Service – Redundancy Procedure
Background Documents Used in the Preparation of this Report:	<ul style="list-style-type: none"> • None

Previous Decisions Connected with this Report

Report	Committee & Date	Minute Reference
Early Payment of Pensions Policy & Procedures – March 2008	Personnel, Licensing and Administration Committee	