

Wiltshire Council

Cabinet

21 May 2013

Subject: Voluntary Redundancy Programme

Cabinet member: To be appointed

Key Decision: No

Purpose of the report

1. The purpose of this report is to outline proposals for a council wide voluntary redundancy programme to deliver minimum savings of £4m from staffing costs. This is a requirement of the 2013-14 budget approved by members in February 2013.

Background

2. Since 2010 a rolling programme of service reviews and organisational re-design has been taking place at the council, alongside a transformation programme, to deliver a modern, leaner, less bureaucratic and more efficient organisation which is fit for the future.
3. As a result of this there have been 630 redundancies delivering savings of £23m from staffing costs, this includes £9m savings from a review of management roles, resulting in 173 redundancies and the implementation of a new leadership model, removing one corporate director and the chief executive post.
4. The council has since 2009 invested significantly in new digital technology including work anywhere technology, follow me printers and VOIP phones allowing staff to work more flexibly including working at home and utilising the "hot desk" facilities that are now available in many council buildings to deliver efficiencies in the way we work.
5. The budget forecast for 2013/14 has identified that minimum savings of £4m still need to be found from staffing costs and It is estimated that 340 full time equivalent posts will need to be redundant to deliver the savings required.
6. As a result a council wide voluntary redundancy exercise is proposed to deliver the savings needed from the 2013/4 budget.

Main considerations for Cabinet

7. Unlike usual redundancy exercises this proposed voluntary redundancy programme will mean that staff will not be placed at risk of redundancy at the outset. Instead a period of informal consultation will take place to allow all staff to be briefed on the programme, including the process for applying for redundancy. This will allow feedback on the proposals to be considered by the leadership team prior to the programme launching.
8. It is proposed that this informal consultation process starts week commencing 27 May 2013, and that the voluntary redundancy programme launches on 17 June 2013, and will run for 6 weeks, with a final deadline for applications of 26 July 2013. A timetable is attached in appendix 1.
9. This informal process will allow time for all staff to be briefed. Information about the programme will be provided electronically for most staff, and where there is no access to this information managers will be provided with briefing packs so these staff can be given the information. Service directors will be asked to confirm that all staff in their service(s) have been briefed by 7 June. The leadership team will consider any feedback from the consultation during week commencing 10 June, prior to the launch of the programme on 17 June.
10. It is proposed that all applications for voluntary redundancy will be made directly to HR who will review the applications in consultation with service directors to assess whether applications can be accepted. Discussion will focus on how work can be redistributed or stopped or whether there is an opportunity to “bump” a redundancy. This is where another member of staff can be moved into the post of the employee who is volunteering so their post can be deleted, and therefore be redundant. Essentially service directors will be asked to think creatively about how they can alter their service structure and job design to accommodate redundancies.
11. HR will provide the corporate directors with details of the applications recommended for acceptance and those recommended for rejection on a two weekly basis throughout the programme. It is proposed that applications are approved based on a first come first served basis with two weekly deadlines. The aim is avoid high numbers of last minute applications.
12. The corporate directors will approve any applications received and provide governance of the process. Appeals against applications for voluntary redundancy that are rejected will be heard by a panel of two statutory officers (section 151, monitoring officer or the current head of paid service).
13. With the exception of the streetscene staff due to TUPE before the 26 July it is proposed that the programme extends to all staff employed by the council, although it is unlikely that applications would be accepted from social workers and public health staff as well as some critical front line services who have recently transferred into the council. This programme will be extended to all services as there may be an opportunity to agree to redundancy where skills, knowledge and behaviours do not match the council’s current requirements and cultural aspirations. Discussions with service directors about this will be crucial.

Environmental Impact of the Proposal

14. There is no environmental impact as a result of the proposal

Equalities Impact of the Proposal

15. The redundancy policy and procedure which will be used to support the programme was equality impact assessed as part of the process to develop it.

16. The proposed programme will be considered by an equality analysis panel, comprising representatives from HR, management and trade unions which will be arranged before the programme launches on 17 June. Any negative impacts that are identified will be highlighted to CLT as part of the consultation process.

Risk Assessment

17. There are not enough applications for voluntary redundancy that can be accepted and the required savings are therefore not achieved.

Financial Implications

18. The aim of the programme is to deliver minimum net in year savings of £4m from staffing costs. Clearly the whole year savings will be in excess of this and will contribute to funding shortfalls expected in future years. These savings will be monitored closely by finance throughout the programme.

19. If the programme fails to deliver the savings required consideration will be given to running a further programme later in the year, or alternative measures will be explored.

20. Redundancy costs will initially be funded from a specific £3 million reserve agreed as part of the budget setting process. However any pension strain costs associated with staff aged 55 and over who are members of the local government pension scheme, who elect for early access to the scheme and are accepted for voluntary redundancy will be met from the current year's budget and therefore these costs will need to be added to the savings required from this programme. At this stage it is unlikely that these costs could be capitalised but discussions on this point will be explored with the Department for Communities and Local Government.

Legal Implications

21. The process will require close monitoring to ensure any redundancies approved result in the deletion of posts to ensure the savings come from true redundancies. The proposals include a process for the corporate directors to review applications for redundancy recommended for approval, and will include providing details of the posts that will be deleted, and therefore redundant, as a result.

Options Considered

22. An alternative option would be to target savings from further service reviews. This would mean putting staff within those services at risk of redundancy, and re-designing the services to identify further opportunities to deliver savings.

Conclusions

23. Many services have already delivered savings from service reviews. These reviews have included re-structuring and re-designing the service to identify redundancies, this has meant placing staff at risk of redundancy which has been unsettling and affected service delivery.

24. The proposal to launch a voluntary redundancy programme means that there will be no requirement to place staff at risk, and instead staff who genuinely want to volunteer for redundancy will be able to do so. In addition this programme will provide an opportunity to agree to redundancy where skills, knowledge and behaviours do not match the council's current requirements and cultural aspirations.

Proposal

25. It is proposed Cabinet approve the launch of a council wide voluntary redundancy programme on 17 June 2013, with consultation on the programme starting week commencing 27 May 2013.

Reason for Proposal

26. The reason for the proposals is to deliver minimum savings of £4m from staffing costs which is required from the 2013/14 budget already approved by members in February 2013.

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Background Papers

None

Appendices

Appendix 1 – Voluntary redundancy programme timetable