

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

PERSONNEL COMMITTEE

12th October 2015

HEAD OF HUMAN RESOURCES – S.REES

Matter for Information

Wards Affected: all wards

Voluntary Redundancy Scheme 2015

1. Purpose of Report

To provide Members with information in relation to the Voluntary Redundancy (VR) Scheme launched on 30th September 2015.

2. Background information

Personnel Committee approved a revised ER/VR/CR Scheme with the trade unions, effective from 1st April 2015. The Scheme sets out the following terms:

1. Subject to the total cost to the Council of early release of pension and / or severance payment being limited to the equivalent of 52 weeks' pay for the employee concerned, the following provisions will apply in cases of Voluntary Redundancy and Compulsory Redundancy:
 - Early release of pension for qualifying employees
 - Lump sum statutory redundancy payment, using the 30 week Statutory Redundancy table
 - Lump sum discretionary compensation payment, using the Council's 50 weeks table (reduced by the statutory redundancy payment referred to above).
2. Where the total cost of early access to pension and the cost of statutory redundancy payments equates to more than 52 weeks pay, the payback period may be extended "up to 104 weeks" but subject to only early access to pension plus statutory redundancy pay being applicable (i.e. no discretionary severance payment).

3. Any severance package in respect of early termination of employment that exceeds a threshold of £100,000 must be approved beforehand by Full Council.
4. Employees leaving the Council's employment on the grounds of VR will do so on the basis of a mutually agreed termination date, with no notice period being applicable on either side and with no extra payment being made for any outstanding holidays, time off in lieu or flexi leave.
5. Employees who leave the Council's employment on the grounds of VR will be normally be precluded from returning to any paid temporary or permanent NPT Council employment (which includes schools). However in exceptional circumstances, re-employment may be permitted if the "employing" Head of Service is able to provide a robust business case for doing so which is acceptable to the Director of Finance & Corporate Services and Head of Human Resources, in consultation with the relevant trade unions.
6. All decisions concerning Voluntary Redundancy are subject to a business case, approved by the employing Head of Service (with the exception of (3) above). This business case must set out that the total costs of the VR do not exceed those, as set out in (2) above, and confirm that the post occupied by the VR leaver will be deleted to secure savings.

3. VR Scheme 2015 – arrangements

- The Scheme was launched on **30th September 2015** for a 4 week period ending on Friday **30th October 2015**.
- All employees of the Council, with the exception of those employed by Schools and those employed on Chief Officer terms and conditions, will be eligible to express interest in exiting the Council's employment under the terms of the scheme.
- Employees with NPT email addresses received an email inviting expressions of interest via email. All other employees received a

hard copy letter by hand via their line manager. In exceptional circumstances letters were sent via post.

- Expressions of interest will be managed via the VR database, which allows for 'real time' reporting to Heads of Service. Weekly update reports tracking progress will be provided to the Corporate Director Group and a Summary of Progress Report will be provided to Members at the next Personnel Committee.
- **Departures under the Scheme must take place by no later than 31st March 2016.** The current Scheme was agreed with the trade unions on the understanding that it would be subject to further review in Summer 2016. Therefore, the terms that will apply to VR leavers post 31st March 2016 are not known at this time. Nationally, negotiations are underway in relation to pay awards, to apply across the relevant pay negotiating groups from 1st April 2016, and therefore we cannot provide accurate VR estimates post 31st March 2016. For these reasons, it is practically not possible to agree VR leavers post 31st March 2016.
- Heads of Service have been asked to progress the stages of decision making through the VR process in as timely a way as is possible, to ensure that departures can take place by 31st March 2016. The Scheme places significant workload demands on HR, Payroll and City and County of Swansea Pension Sections, so the sooner decisions are made, the sooner work can be underway. The later bottle necks occur, the more likely it is that some departures may be prevented from occurring.
- The scale of expressions of interest and therefore the workload demands for the HR and Payroll teams are as yet unknown, however, respective work programmes / priorities may need to be revised depending on the work demand.

4. Risk Management

The Scheme is designed to limit the risk of Compulsory Redundancy as a result of the Council's cost reduction measures.

5. Financial Impact

7. The costs of Redundancy Payments are limited under the Scheme to the equivalent of 52 weeks' pay for the employee concerned. Where the total cost of early access to pension and the cost of statutory redundancy payments equates to more than 52 week's pay, the payback period may be extended up to 104 weeks, but subject to only early access to pension plus statutory redundancy pay being applicable, i.e. no discretionary severance payment. Heads of Service must authorise a business case setting out that the total costs of the VR do not exceed those as set out, and confirm that the post occupied by the VR leaver will be deleted to secure savings.

6. Consultation

There is no requirement under the Constitution for external consultation on this item.

7. Equality Impact Assessment

A full equality impact assessment will be carried out at the end of the VR process.

8. Recommendation

It is RECOMMENDED that Members NOTE the update in relation to the VR Scheme.

9. Officer contact

Sheenagh Rees, Head of Human Resources, Email – s.rees5@npt.gov.uk or tel. 01639 763315

10. Appendices

None

11. **List of Background Papers**

The Neath Port Talbot County Borough Council ER/VR/CR
Scheme 1st April 2015