

	<p>Remuneration Committee</p> <p>11 November 2014</p>
<p style="text-align: center;">Title</p>	<p>Commissioning Restructure: Confirmation of Redundancy and Early Retirements of Senior Manager</p>
<p style="text-align: center;">Report of</p>	<p>Andrew Travers – Chief Executive</p>
<p style="text-align: center;">Wards</p>	<p>All</p>
<p style="text-align: center;">Status</p>	<p>Public (with separate exempt report)</p>
<p style="text-align: center;">Enclosures</p>	<p>None</p>
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Summary

On the 13th October 2014, the General Functions Committee approved the revised structure for the council’s Commissioning Group and associated changes to other senior positions. At the same time, the Remuneration Committee agreed appointments to key chief officer positions and noted the proposed approach of the Chief Executive to appoint to other senior management positions.

This report provides an update and makes recommendations to the Remuneration Committee to approve the redundancy or retirement of senior officers who have not secured suitable alternative employment in the new structure.

Recommendations

That, subject to the consideration of the information and recommendation set out in the associated exempt report, the Committee approve:

- 1. The release of appropriate redundancy payments and access to early retirement pension benefits for the individuals detailed in the exempt report**
- 2. That notice for the individuals detailed in the exempt report is served from 12 November 2014.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Remuneration Committee are responsible for the approval of severance packages of officers in excess of £100,000.
- 1.2 There are no proposals to offer termination payments in excess of the contractual minimum. However, the capital cost of pension strain, along with redundancy entitlements will exceed £100,000 per package.

2. REASONS FOR RECOMMENDATIONS

- 2.1 To seek approval from the Remuneration Committee for the release of funds to the Local Government Pension Scheme to cover the cost of pension strain (release of early benefits) arising from the redundancies of individuals.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Council has sought to mitigate the potential cost of redundancies. Where an individual meets certain criteria, they may take early pension benefits within the regulations set out in the Local Government Pension Scheme. It has not been possible to find suitable alternative employment for some individuals, resulting in a redundancy situation.
- 3.2 During consultation, individuals were requested to consider any roles within the new structure, or suitable alternative roles within the Council that may mitigate potential redundancies and costs.

4. POST DECISION IMPLEMENTATION

- 4.1 Subject to the decisions of the Committee, the individuals will be provided with their notice of redundancy and pension estimate. Subject to provisions within

individual's contracts a notice period until the date of redundancy will be served.

- 4.2 During the period of notice, if a suitable alternative position arises within the council for the individuals concerned, the Council has a duty to seek to mitigate the redundancy and will seek to do so.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 These redundancies arise from the implementation of the decision of the General Functions Committee of 13th October 2014 to approve the new Commissioning Group and senior management structures.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 The total cost of these redundancies will be met by the Council's redundancy reserves.

5.3 Legal and Constitutional References

- 5.3.1 The Council's Constitution, Responsibility for Functions, Annex A – details the responsibilities of the Remuneration Committee which state that “In accordance with supplementary guidance issued by the Department for Communities & Local Government in 2012 and February 2013 Council be given the opportunity to vote on Chief Officer salary packages, of salary packages of £100,000 or more and any severance packages at or above £100,000 and in instances where Council has delegated these functions to the Remuneration Committee, then the Remuneration Committee will decide on and report back to Council on Severance packages per individual of £100,000 or more. (Severance package will consist of redundancy pay, pay in lieu of notice, any holiday pay the employee is contractually entitled to and any pension lump sum the employee is entitled to in accordance with the Local Government Pension Scheme).”
- 5.3.2 Details of redundancy payments for senior officers are required to be published in the annual accounts in accordance with Accounts and Audit (England) Regulations 2011.
- 5.3.3 “Under regulation 30(7) Local Government Pension Scheme Regulations 2013 a member of the pension scheme dismissed by reason of redundancy and aged 55 or over must have their retirement pension and lump sum paid immediately and without reduction.
- 5.3.4 In relation to redundancy payments, failure to pay a contractual redundancy payment in the event of an officer being dismissed for redundancy would be a breach of contract.”

5.4 Risk Management

5.4.1 The Director for Human Resources will keep under review the potential to mitigate redundancies to avoid cost through the Council's redeployment procedure.

5.5 Equalities and Diversity

5.5.1 An Equalities Impact Assessment was provided to the General Functions Committee when taking their decision. There were no perceived implications for equalities and diversity in implementing the decision.

5.5.2 To refuse access to pension for those made redundant for those otherwise entitled to such benefits based on the age of the individual (or any other protected characteristic) would be potentially discriminatory. The benefits for early retirement are accessible from the age of 55 years old for individuals who are dismissed on redundancy

5.6 Consultation and Engagement

5.6.1 Individuals have been consulted on the potential redundancies arising from the Commissioning Group and senior management restructure.

6. BACKGROUND PAPERS

6.1 Council, 16 April 2013, Reports from the Remuneration Committee (29 January 2013 & 19 March 2013) – Council approved the recommendations of the Remuneration Committee (19 March 2013) which included delegating the functions of approving salaries and severance packages of £100,000 or more to Remuneration Committee:

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CIId=162&MIId=6641#A13482>

6.2 General Functions Committee, 13 October 2014, Commissioning Restructure and Associated Senior Management Positions – the Committee approved the following recommendations:

1. That the Committee agree the deletion of posts on the Council's establishment and the creation of new posts as set out in Section 6 of the report.
2. That the General Functions agree to delegate to the Chief Executive the authority to introduce interim and transitional arrangements to ensure the continuity of service during appointments to the new structure and any vacancies arising pending consideration by the Remuneration Committee.

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CIId=174&MIId=7800>

- 6.3 Remuneration Committee, 13 October 2014, Commissioning Restructure and Associated Senior Management Positions – the Committee approved the recommendations set out in the report relating to the restructure:
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=381&MId=7796>