

EMPLOYMENT MATTERS COMMITTEE

7 SEPTEMBER 2016

EARLY RETIREMENT AND SEVERANCE PAYMENTS

Report from: Carrie Mckenzie, Head of HR and Organisational Change

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Summary

To present Members with a report of all decisions taken in relation to early retirements and severance payments for the period 1 January 2016 to 30 June 2016.

1. Budget and Policy Framework

1.1 Whilst there is no specific decisions to be made based on the report, it is important that the Committee is appraised of all decisions taken in relation to early retirements and severance payments.

2. Background

2.1 The procedure for Managing Reorganisation and Redundancy was agreed on 26 September 2007. This was a review of the policy originally agreed by the Policy and Resources Committee on 26 May 1998 (following a recommendation from the Personnel Sub Committee on 20 May 1998). The Employment Matters Committee subsequently reviewed the policy on 11 October 2006, 15 April 2009, 2 November 2010 and 29 June 2011.

2.2 No change was made to the earlier arrangement that the day to day decision on early retirements and severance payments should be taken by the Head of HR and Organisational Change and the relevant director and that Employment Matters Committee should receive quarterly reports on these decisions together with costings. This is in line with the Audit Commission's Report "Retiring Nature" which recommended that Members be informed of early retirement decisions and that the costs are known when decisions are taken.

3. Advice and analysis

3.1 Early Retirement and Severance decisions

3.2 Members are asked to note that the Schools' Forum have agreed that those schools who are not facing financial difficulties would pay their own redundancy costs unless the redundancies arise from a reorganisation proposed by the Council or the school has entered into an official deficit recovery plan with the Council. Similarly, schools converting to an academy would have to meet their own redundancy costs although the position of schools that are becoming academies via the 'sponsored' route is slightly different. The Department for Education would expect the local authority to meet any redundancy costs for 'sponsored' conversion if the cost of these redundancies would result in a deficit upon conversion.

3.3 School based staff

3.4 During the period of this report, there were NIL school-based staff who were either made redundant (voluntary or compulsory) or early retired.

3.5 Non school based staff

3.6 During the period of this report there were 22 non-school based members of staff who were either made redundant (voluntary or compulsory) or early retired at a total capitalised cost of £623,186.

3.7 Total cost

3.8 The total cost to the Council of all staff either early retired or made redundant during the period 1 January 2016 to 30 June 2016 was £623,186.

4. Financial and legal implications

4.1 A detailed breakdown of the calendar year to end June 2016 is attached as Appendix 1.

4.2 There are no direct legal implications arising from this report.

5. Risk Management

5.1 There are no risk implications arising from this report. All decisions are made in accordance with the Council's procedures for managing redundancy and early retirement.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Failure to comply with the Managing Re-organisation and Redundancy policy.	Risk of breaching statutory employment legislation resulting in unsafe redundancies.	Re-organisations are managed via HR Services who ensure compliance with statutory legislation and locally agreed consultation protocols.	E4

6. Recommendation

6.1 That the Committee notes the report.

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Appendices:

Exempt Appendix 1 - Early Retirement and/or Redundancy payments for the Period 1st January 2016 to 30th June 2016

Background papers

There are no background papers.