

Recommendations from the Employment Committee – 12 September 2023

**Employment
Committee
Minute
reference 22**

Organisational Development & Human Resources Staffing Update

The Head of Organisational Development & Human Resources (OD & HR) introduced the item explaining that the Committee was being asked to consider the implications of the OD & HR restructure and a related redundancy. The context was provided; the OD & HR service was being restructured so it was best able to support the organisation resulting in a £100k per annum cost saving from April 2023 and a reduction in Full Time Equivalents from 13 to 11.

A full consultation process had been undertaken with staff and relevant Trade Unions. The Management Team and Portfolio Holder had been kept informed during this process.

The six positions in the tier immediately below the Head of Service were being deleted (including three vacant roles). Of the three remaining roles, one officer was being redeployed and one was being made redundant under delegated approval.

The Committee was asked to focus on the other redundancy case as this would result in a total statutory exit cost to the Council above £100K. It was a requirement of the Localism Act 2011 that exit payments/costs above this threshold required the approval of Full Council. It was explained that this figure comprised statutory and contractual entitlements only (including redundancy pay and pay in lieu of notice, annual leave and accrued time off). There was no enhanced element to the payment being made.

It was explained that there was entitlement to receive benefits from the Local Government Pension Scheme immediately due to meeting the qualifying criteria. This figure was estimated and would be finalised via the Surrey County Council Pensions team when an exit date was confirmed. The payment was significant (the majority of the exit costs) due to the age and length of service of the officer. The estimated total exit cost figure was quoted as £151,379.92.

In response to questions asked by the members of the Committee, it was clarified that:

- It was the Council's policy to only allow five days of annual leave to be carried forward (36 hours) each year. This had been impacted by the pandemic but all staff had been asked to bring their leave back in line with this requirement by April 2023.
- The report balanced the redundancy costs of one role only against the savings being achieved. The full financial implications of the restructure needed to be set against the savings to be gained. The total estimated cost of the two redundancies (including early access to pension and contractual payments owed) is £238k (estimate) against an ongoing cost saving of £100k per annum. The overall cost is estimated at this stage due to the pension costs needing to be confirmed by Surrey County Council's Pensions team. As per the Council's Redundancy, Redeployment & Early Retirement Policy, the cost to the Council of these redundancies can be recouped within 5 years.
- It was established that whilst the reference was to the deletion of six roles, taking into account existing empty posts, ceasing the employment of consultants and redeployment of one staff member, the overall reduction is two FTE (from 13 to 11.)

RESOLVED that the Employment Committee:

- (i) Note the forecast statutory and contractual payments owed to the referenced Officer in Appendix 1 as a result of redundancy;

Recommend to Council:

- (ii) That the employment of the Officer referenced in Annex 1 ends by redundancy (dismissal) on 22 September 2023 with notice to dismiss given on this date and employment terminated on this same date;
- (iii) That delegated authority to approve the final payment, when employer pension costs are confirmed, be granted to the Managing Director (Head of Paid Service) and Chief Finance Officer (Section 151 Officer) in consultation with the Deputy Leader and Executive Member for Finance, Governance and Organisation.