

EMPLOYMENT AND APPOINTMENTS COMMITTEE

Thursday, 13 October 2011

Present:

Councillor	AER Jones (Chair)	
Councillors	G Davies	M Johnston
	P Davies	P Kearney
	S Foulkes	L Rennie
	JE Green	

38 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

No declarations of interest were received.

39 VOLUNTARY SEVERANCE POLICY

A report by the Director of Law, HR and Asset Management reviewed the application of the HR Policy changes agreed by the Committee at its meeting on 11 November 2010, (Minute No. 40 refers) and, in particular, the Voluntary Severance Scheme for employees. The HR Policies introduced or changed by the Committee at that time had been put in place to support the Council ahead of a period of significant change. These policies needed to be kept under review to ensure that they continued to be appropriate and meet the Council's ongoing requirements.

The Council had to continue to make savings, at least, over the next three years and this would mean fairly rapid changes to the way it operated as an organisation. The aim was now to provide more with less. It was entering a period of dramatic change and because of this it was anticipated that, there would be some staff who would want to make the choice to leave their jobs rather than embracing the changes that would have to be made. However, at the same time, the Council did want to protect as many of its jobs as possible. It was noted that the budgetary process was ongoing, the Council was still out to consultation on its 2012/13 budgetary provision and the costs to the Council tax payer of the options available was not yet clear.

The Committee had regard to Appendix One to the report that set out its options in detail and was reminded that it had previously agreed that the enhanced Voluntary Severance Scheme would be changed to reflect the statutory redundancy scheme, but the salary of the employee would not be capped in the calculation. It noted the requirements of the Discretionary Scheme, the legal position and that in formulating and reviewing its policy the Council must:

- (a) have regard to the extent to which the exercise of its discretionary powers (in accordance with the policy), unless properly limited, could lead to a serious loss of confidence in the public service; and
- (b) be satisfied that the policy is workable, affordable and reasonable having regard to the foreseeable costs.

The options available to the Committee were: To

- (1) continue the Voluntary Severance Scheme with current Scheme arrangements – **Option One**; or
- (2) Re-instate the Voluntary Severance Scheme to the original scheme pre-November 2010 – **Option Two**.

Councillor S Foulkes moved the following Motion which was seconded by Councillor P Davies: That

- (1) the content of the report be noted; and
- (2) the Voluntary Severance Scheme be reinstated to the original scheme pre-November 2010 as set out as Option Two in Appendix one to the report.

Councillor J Green reminded the Committee that it had no money of its own and that Members were guardians of the public purse. A lot of staff members had already left the organisation, none had been made compulsory redundant and Members were appreciative of the way its staff had worked together to support this. The Council was indeed approaching a period of rapid change; the staff would need to be flexible as some services would have to be delivered differently. Some staff who had wanted to leave the organisation previously had been unable to do so because of specific service issues also promises had been made but it was now clear that people had not worked as flexibly as it had been envisaged.

Councillor Green moved the following Amendment which was seconded by Councillor L Rennie:

- (1) this Committee notes that Council has not got any money of its own and costs must be met by the tax payer;
- (2) therefore, no action be taken until agreement has been reached with the workforce that flexible working will be required in the future to deliver services in different ways; and
- (3) a further report be brought for consideration to the Committee when such an agreement/understanding has been reached.

The Amendment was then put to the vote and was lost on a vote of 3 for and 5 against.

The substantive motion was then put to the vote and was carried on a vote of 5 for and 3 against.

RESOLVED: That

- (1) the content of the report be noted; and**
- (2) the Voluntary Severance Scheme be reinstated to the original scheme pre-November 2010 as set out below:**

Enhanced Severance Policy (Option 2)

Based on years service, weekly pay and age at time of redundancy	
Weekly Pay:	Uncapped
Years Service/Weeks Pay	<ul style="list-style-type: none"> • One week's pay for each year worked between the ages of 22 and 40. • For each year aged 41 or over it is one and a half weeks' pay. • Maximum 20 years • Multiplied by 2.2 to maximum of 66 weeks pay

40 TRANSITIONAL PAY POLICY

A report by the Director of Law, HR and Asset Management reviewed the application of the Transitional Pay Policy implemented in November 2010.

The Committee was aware that the Council's budget for 2011/12 provided savings of £57m and to achieve this, a number of significant services changes had been put in place that affected Council employees. As the decision to make the service changes to realise the savings had been made at the Cabinet meeting held on 9 December 2010, those staff who had left the Council's employment through EVR/VS did so under the previous enhanced severance policy which ended on 31 December 2011.

A number of other employees had been affected. It was reported that, as services had changed or had been re-provided in different ways, a number of employees had been re-deployed in alternative roles. In particular, employees who had previously worked in residential care had been redeployed to day services. Due to the nature of the care services, many employees who worked within residential homes, worked shift patterns at nights, weekends. This was deemed contractual and attracted enhancement to their pay. The vast majority of those re-deployed had now been redeployed to Day Services, within the Department of Adult Social Services. Whilst in many cases, employees had stayed at the same grade and hours worked following redeployment, the nature of the work meant that they were not required to work weekends or nights and so they had not been able to maintain the same level of earnings.

The current total cost of transitional pay was £151,000k. This represented the sum of up to £2000 paid per redeployed staff member who had lost contractual earnings. The majority of transitional pay arrangements had commenced in May 2011. A total of 16 employees within Corporate Services and the Children and Young People's Department had also been redeployed as a consequence of the decision to change services. This had been mitigated, in some cases, by increasing the number of contractual hours available to part time employees but this had not been an option where the employee already worked 36 hours a week. The loss of contractual earnings which equated to gross earnings ranged between £2000 and £9000 per year. A summary of the financial impact of redeployment on employees was set out in the report for Members' information.

The Committee was informed that a significant number of staff negatively affected in this way were women and disabled workers. This equated to 14 people who considered themselves as disabled, and that 102 were women out of the 117 employees who had been negatively affected by the implementation of the Transitional Pay Policy. Also, the position had been further complicated by the application of the results of the job evaluation appeals process for workers in this area. There would be a re-grade resulting in back pay for a small group of workers from this group, funded by the Pay reserve which had also impacted on their ongoing transitional pay position.

The Committee was asked to consider the following:

To review the Transitional Pay policy to apply to any employees affected by the service changes required to meet the 2011/12 budget framework. The options were:

Option One

Continue with the current terms of the Transitional Pay policy.

Option Two

The terms of the amended policy would be to maintain an employee's contractual pay for one year to a maximum protection of £4,000 at a cost of £74,887.65.

Option Three

The terms of the amended policy would be to maintain an employee's contractual pay for one year at the previous contractual salary level at a cost of £82,025.36.

The Council was also asked to apply the effect of any amendment retrospectively, which did not alter the Council's Transitional Pay Policy as agreed at the November 2011 meeting of the Committee.

Councillor J Green raised concerns over the unintended consequences whereby 117 employees had experienced a decrease in salary following redeployment. He moved a motion in support of Option Two and that the costs of implementing it be found from balances. This motion was seconded by Councillor L Rennie.

RESOLVED(unanimously): That

- (1) the terms of the amended policy be to maintain an employee's contractual pay for one year to a maximum protection of £4,000 at a cost of £74,887.65 and that this be funded from balances; and**
- (2) the effect of the amendment be applied retrospectively.**