
Potential Redundancies – Strategy & Governance

Committee considering report:	Executive on 11 February 2021
Portfolio Member:	Councillor Jo Stewart
Date Portfolio Member agreed report:	2 February 2021
Report Author:	Sarah Clarke
Forward Plan Ref:	EX3976

1 Purpose of the Report

- 1.1 Following a restructure in the Strategy and Governance Department resulting in the creation of 21.5 new posts, including investment into an additional 7.5 posts, 14 posts are to be deleted. This results in the potential for some redundancies. This report seeks authority for redundancy payments to be made if necessary.
- 1.2 The overarching purpose of the new structure in Strategy and Governance is to:
- Improve the delivery of services to the Council’s customers
 - Enhance and consolidate the Council’s governance arrangements
 - Deliver more effective digital and transformation solutions that provide better services
 - Continue to provide effective support services to the Council

2 Recommendation

- 2.1 Executive are asked to authorise the redundancy payments more fully detailed in the Part II Report.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	<p>The total cost of the potential redundancies as calculated at 12 May 2021 is set out in the Part II report, but is just below £200k.</p> <p>Employees who are members of the Local Government Pension Scheme (LGPS) will automatically be paid their pension (with no reduction and no enhancement in the amount due) if they are aged 55 or over on the date that their employment ends due to redundancy.</p>

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	<p>New legislation was introduced last year to restrict exit payments made to employees working in the public sector to a maximum value of £95k. That legislation is the subject of an ongoing legal challenge, but none of the proposed redundancy payments will exceed the statutory threshold.</p> <p>This is the 'worst case' scenario and assumes that none of the employees can be redeployed into alternative employment within the Council.</p>			
Human Resource:	There are significant human resource implications associated with this report and the restructure is being implemented in accordance with the Council's Organisational Change Policy.			
Legal:	Under the Council's Constitution the power to issue notice to an employee to cease employment by reason of redundancy rests with the Service Director or Head of Service. However the power to authorise any associated redundancy payment (and early retirement costs where appropriate) rests with the Executive (with limited delegation to the Chief Executive).			
Risk Management:	None			
Property:	There are no property implications arising from this report.			
Policy:	As noted above, the restructure is being conducted in accordance with the Council's Organisational Change Policy.			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		

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B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		
Health Impact:		X		
ICT Impact:		X		
Digital Services Impact:	X			As part of the overall restructure, additional investment is proposed in the Council's digital capacity to enhance the services provided to residents.
Council Strategy Priorities:		X		
Core Business:		X		
Data Impact:		X		
Consultation and Engagement:	<p>The proposed restructure has been subject to extensive consultation with officers impacted. This includes 43 briefings and consultation meetings with officers and teams impacted by the proposals. The consultation period was also extended by two weeks at the request of Unison.</p> <p>Corporate Board, Rebecca Bird</p>			

4 Executive Summary

4.1 Strategy and Governance is a new Department that was created on the 1st April 2020. This Department is comprised of three former Service areas, namely:

- Human Resources;
- Legal Services; and
- Strategic Support.

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- 4.2 The creation of the Strategy and Governance Department by the merger of three former long standing service areas, meant that a review of structure was essential to ensure that the new Department was structured in a manner that would enable it to operate effectively, as a single unified team, and with a clear understanding of its purpose.
- 4.3 The overarching purpose of the new structure is to:
- Improve the delivery of services to the Council's customers
 - Enhance and consolidate the Council's governance arrangements
 - Deliver more effective digital and transformation solutions that provide better services
 - Continue to provide effective support services to the Council
- 4.4 In order to achieve the stated purpose of the restructure, a number of existing posts need to be deleted. New posts have however been created and with the additional investment proposed as part of the budget, there will be an increase of employment opportunities in the Strategy and Governance Department.
- 4.5 Recruitment to key roles in the new Department will begin to take place through February and into March. Depending on the results of that, a number of post holders could be made redundant. As noted above, the redundancy costs detailed in this report reflect a worst case scenario, and it is considered that this figure will be reduced as a result of officers applying for and being appointed into new job opportunities.

5 Supporting Information

Introduction

- 5.1 The purpose of this report is to set out details of potential redundancies that may occur on 12 May 2021, as a result of the restructure in the Strategy and Governance Department. This report seeks approval from Executive to make the redundancy (and if appropriate, retirement) payments associated with the required staffing changes.
- 5.2 The information contained within this report has been sourced from information held by HR, Finance and Payroll.
- 5.3 The information presented is the maximum cost to the Council, which is likely to reduce as redeployment opportunities arise in the Department and in the Council as a whole between now and 12 May 2021.

Background

- 5.4 The creation of the Strategy and Governance Department by the merger of three former long standing service areas, meant that a review of structure was essential to ensure that the new Department was structured in an appropriate manner, which would deliver improved customer services and enable the Department to continue to provide effective support services to the Council.
- 5.5 It is not sustainable to continue to operate under the structures from the former service areas, as those structures exist on the basis that each report into a separate individual, but they now report to one. There are also a number of operational risks which arise

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from single points of failure in the existing structure, which the proposals seek to address. The review of the structure also highlighted clear opportunities for digital transformation within the Department, which will ensure that the Department can operate in a more effective and efficient manner

- 5.6 In view of the above, there was a clear business need to undertake a review of the structure in the Strategy and Governance Department, and to implement that without delay.
- 5.7 The Council employs a total of 131 officers in the Teams affected by the proposed restructure and it is proposed that 14 existing posts be deleted. Some of these posts are currently vacant but a number of existing post holders could be made redundant.
- 5.8 The proposals will result in the creation of 21.5 new posts, with 7.5 of those posts resulting from new investment which is proposed as part of the budget. One of the new posts is proposed for a temporary 12 month period, and is intended to support improved Digital Democracy.
- 5.9 The new posts have been proposed to deliver a structure which aligns the Council's corporate governance functions in one Department. This new structure will also support the Council to deliver improved customer services, by bringing relevant teams together and through more effective communication and digital channels.
- 5.10 Consideration was also given in creating the new structure, to feedback from staff given in the Employee Attitude Survey and during Service Away Days. The new structure therefore creates a number of new posts that deliver better career development opportunities. The new posts proposed will also assist to support the Council to work in a more effective and efficient manner, delivering improved resilience within the Department.
- 5.11 As a result of the proposals, a number of existing post holders will automatically slot into new posts, and others will be subject to a formal recruitment process. However, it should be stressed that the potential redundancies are a worst case scenario, for circumstances where employees in posts that will be deleted, do not find suitable alternative employment.
- 5.12 The revised structure has been subject to extensive consultation with officers in accordance with the Council's Organisational Change Policy. Consultation responses indicated support for the new structure, but concerns were also raised and as a result, a number of changes were made to the proposals.
- 5.13 The proposals may result in a number of post holders being made redundant, and this report seeks authority if necessary to make the associated redundancy payments. A number of posts were identified as being at risk of redundancy prior to the commencement of the consultation exercise, because there was no obvious job match between current roles and any of the new positions in the revised structure.
- 5.14 Where staff are at risk of redundancy, the Council will seek to support those officers by redeploying them to suitable alternative employment. That support has been offered where relevant as part of these proposals. The Council also supports officers who are redeployed into roles which are at a lower grade than their existing post, by offering

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salary protection in accordance with the Salary Protection Scheme for 12 to 18 months, (depending on length of service). The Council cannot compel an officer to accept an alternative role which is substantially different from their existing post.

Proposals

5.15 It is proposed that the potential financial payments detailed in the Part II report are approved.

Redundancy process

5.16 It is not possible at this stage to say exactly how much the total liability for redundancy payments will be, as it is anticipated that a number of officers will be redeployed to new posts.

5.17 The highest potential redundancy costs have however been set out in the Part II report. The actual cost is likely to be reduced as there is the potential for redeployment to new posts in the Strategy and Governance Department or to other posts in the Council, which would negate the need for any redundancy payment.

5.18 As noted above, officers who are placed at risk of redundancy will be offered support to identify suitable alternative employment.

6 Other options considered

6.1 Consideration was given to not proceeding with the restructure. This option was ruled out as there was a clear business need to ensure that the new Department could function efficiently and effectively and the existing structure does not support this.

6.2 Consideration was also given to delaying the implementation of the restructure. This option was not considered viable due to the need to ensure that the new Department could function efficiently and effectively as noted above, and in order to meet current business need and even more so now in light of the impact and new learnings following Covid-19.

7 Conclusion

7.1 The structure of the Strategy and Governance Department has been reviewed to ensure that it is structured in a manner that will enable it to operate effectively, as a single unified team, and with a clear understanding of its purpose.

7.2 This has resulted in a number of potential redundancies, as detailed in the Part II Report, which may occur on or before the 12th May 2021.

Background Papers:

None

Subject to Call-In:

Yes: No:

The item is due to be referred to Council for final approval

Delays in implementation could have serious financial implications for the Council

Delays in implementation could compromise the Council's position

Considered or reviewed by Overview and Scrutiny Management Committee or associated Task Groups within preceding six months

Item is Urgent Key Decision

Report is to note only

Wards affected: N/A

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