



**Report to: Personnel & General Purposes Sub-Committee, 27<sup>th</sup> February 2019**

**Report of: Head of People Services**

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**Subject: REVIEW OF DECISION MAKING ON VOLUNTARY REDUNDANCIES**

**1. Recommendation**

**1.1 That the Sub-Committee agrees to the proposed changes to the Council's policy on voluntary redundancy decision making.**

**2. Background**

2.1 At the meeting of this Committee on 11 July 2018 the Corporate Director for Finance & Resources presented a report detailing two voluntary redundancies that had been agreed by officers following the criteria agreed by Cabinet in December 2016. The Cabinet decision related to affordability and stated that where the cost of the redundancy was less than the value of 2.6 years salary and the post was to be deleted from the structure, such that whole of the financial benefit was achieved, the request should be approved.

2.2 The Committee expressed some concern about the lack of member involvement in potentially costly decisions and asked officers to review the existing process.

**3. Preferred Option**

3.1 Voluntary redundancy decisions are most often taken in restructuring situations where the Council is trying to achieve efficiency gains or cost reductions without recourse to compulsory redundancies. As detailed in the constitution, such decisions are delegated to the Managing Director under his authority to 'appoint, discipline, suspend or dismiss any employee below Corporate Director'. It is recognised, however, that some voluntary redundancies represent a significant financial outlay which may have a wider bearing on the Council's finances. It is appropriate therefore for Members to have a clearer oversight of the implementation of this policy.

3.2 In addition it is understood that the government intends to implement the anticipated public sector exit payments cap regulations in the autumn of this year and that the cap is likely to be set at £95,000. It is therefore proposed that prior to the publication of those regulations any voluntary redundancy with total exit costs of more than £95,000 should be referred to this Committee for approval. All other voluntary redundancies will remain as officer decisions, but will be reported to this committee.

3.3 When the full details and implementation date for the exit cap are known, a further report will be brought to the Committee.

#### **4. Alternative Options Considered**

- 4.1 Not changing the current arrangements is rejected for the reasons described in section 3.
- 4.2 Given that new national regulations are expected later in this calendar year it may be appropriate to wait until the nature of the regulations is clear. However, the change is proposed now, to recognise the concerns set out at paragraph 3.1.

#### **5. Implications**

##### 5.1 Financial and Budgetary Implications

No implications directly arising although the committee may in some circumstances be altering some exit costs by not agreeing to proposed voluntary redundancy.

##### 5.2 Legal and Governance Implications

None directly arising

##### 5.3 Risk Implications

There is small risk that proposed restructures may have to be altered and incur additional revenue costs.

##### 5.4 Corporate/Policy Implications

This proposal will amend the Council's current policy on making voluntary redundancy decisions.

##### 5.5 Equality Implications

None directly arising

##### 5.6 Human Resources Implications

None directly arising

##### 5.7 Health and Safety Implications

None directly arising

##### 5.8 Social, Environmental and Economic Implications

None directly arising

**Ward(s):**

**All**

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**Background Papers:**

**None**