

BRISTOL CITY COUNCIL

Human Resources Committee

2nd June 2011

FOR INFORMATION

Report of: Chief Executive and (Acting) Director: HR Special Projects

Title: Voluntary Severance Scheme: Progress Report

Ward: Citywide

Officer Presenting Report: Robert Britton, (Acting) Director: HR Special Projects

Contact Telephone Number: 01179 222669

RECOMMENDATION

In response to a previous resolution of this Committee, this report is submitted for Members' information and observations.

Summary

In accordance with this Committee's previous resolution, this report gives Members an update regarding the impact and effectiveness of the Voluntary Severance Scheme (VSS) following its introduction on 1st October 2010. To date there have been 14 applications to apply the VSS, with approval for approximately 122 employees to be invited to apply for voluntary severance. Of those reviews at the stage of inviting expressions of interest from employees, 62 applications have subsequently been received and approved.

The significant issues in the report are:

As previously reported, on 24th September 2010 HR Committee approved the introduction of a Voluntary Severance Scheme (VSS) with effect from 1st October 2010. Its purpose is to assist in achieving the required reductions in the workforce by reducing the level of compulsory redundancies wherever possible. The scheme requires "Head of Paid Service" approval and is used

in specific workgroups where it is anticipated that the required workforce reductions cannot be achieved by other measures (eg. displacing agency and temporary workers, redeployment or other vacancy management processes).

An addendum to this policy was subsequently agreed by this Committee, to incorporate a Voluntary Reduction in Contractual Hours Scheme as an additional way of reducing the number of potential redundancies.

Appendix A shows the application of the VSS across directorates (as at 1st May 2011). It should be noted that a number of these workforce reductions will be delivered in 2011/12, and others during 2012/13 and beyond.

1. Policy

- 1.1 The VSS applies in selected workgroups only, where employees are 'at risk' and where it is anticipated that employee displacements cannot be achieved by other measures (eg. displacing agency and temporary workers, redeployment or other vacancy management processes). It is implemented under Head of Paid Service delegations for all posts up to and including 3rd tier. The approval of the HR Committee is required for redundancy/severance for posts at Strategic/Service Director level.
- 1.2 The Council reserves the right to refuse an application for voluntary redundancy on operational or business grounds. For example, some posts may be excluded due to the Council's need to retain specific skills, knowledge and experience within a given service area.
- 1.3 If an employee is displaced on the grounds of redundancy, they will be eligible for a redundancy payment in accordance with the Council's Pay Policy.
- 1.4 Early release of pension and redundancy payments have to be approved by either Head of Paid Service, or by the HR Committee (for 1st and 2nd tier postholders).
- 1.5 An addendum to the VSS has also been implemented with effect from 21st January 2011 regarding voluntary reductions in contractual working hours. This applies where employee/s in a work group "at risk of redundancy" agree to reduce their weekly hours of work on a permanent basis as an alternative way of achieving budget savings and reducing the number of "managing change" redundancies which would otherwise be required. To date, only one instance of this option has

been submitted / approved (see Appendix A).

2. Consultation

2.1 Internal

The impact and effectiveness of the VSS has been discussed with the Trade Unions at a meeting held on 17th February 2011, and further discussed at the March TU/Officer meeting. Consultation regarding the application of selection for redundancy and voluntary severance is undertaken at directorate level, as workforce reductions are implemented.

2.2 External

Not applicable

3. Context

3.1 The VSS implemented with effect from 1 October 2010 forms part of an integrated “HR Change” approach aimed at balancing the need to make changes in the Council's structure and workforce, with the need to make significant savings in the Council's budget.

3.2 A schedule of those workgroups where the application of the VSS has been agreed, is as set out in Appendix A. Each of the workgroups concerned is being dealt with at directorate level, including consultation regarding the application of selection arrangements (where required).

4. Proposal

4.1 This report is submitted to this Committee for its information.

5. Other Options Considered

5.1 Not applicable.

6. Risk Assessment

6.1 Strategic HR will continue to monitor requests for the application of VSS

and voluntary reduction in hours.

- 6.2 Robust monitoring of the subsequent take up rate and actual costs for each workgroup is undertaken by the Service Director: Corporate Finance.

7. Equalities Impact Assessment

- 7.1 The Council needs to ensure that applications are considered on a fair and objective basis, to ensure equality of treatment of employees, taking into account the provisions set out in paragraph 1.2 above.
- 7.2 There are not considered to be any other “equalities impact” considerations as applications are submitted on a voluntary basis, by the employees concerned.

Legal and Resource Implications

Legal

The Report provides an update on the use of the Council's Voluntary Severance Scheme. The policy is in accordance with employment law legislation. The Council should continue to ensure that all applications are considered in accordance with the Policy to ensure equality of treatment of employees.

(Legal Comments from Husinara Jones for Head of Legal Services)

Financial

(a) Revenue:

This report is for information only providing a progress report on the Voluntary severance scheme to date.

Nb: All redundancies, and related payments, are made according to the rules and procedures existing at that time and are subject to the approval of the Head of Paid Service.

(Advice from Stephen Skinner, Finance Business Partner Corporate Services and Deputy Chief Executive's Directorates)

(b) Capital:

Not applicable.

Land

Not Applicable

Personnel

The personnel implications are set out in paragraph 3 and Appendix A.

Appendices

Appendix A: Requests for Application of VSS as at 1st May 2011.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985
Background Papers:**

None.

Voluntary Severance Requests

| Date Approved | Directorate | Service Manager | Service Director | Workgroup | Maximum projected number of volunteers required | Estimated Costs | Strain on Fund | HoPS Approval Given | Number of expressions of interest returned | Number of VS agreed | Leaving date(s) | Implementation |
|---------------|--------------------|---------------------------|-------------------------|--|---|----------------------------|-----------------------|---------------------|--|---------------------|-----------------|----------------|
| 02/12/10 | CS | Rod Taplin | Peter Robinson | Corporate Property | 3 | £76,000 | £135,500 | Yes | | | | (iv) |
| 14/01/11 | NH | Peter Anderson | Rick Palmer | Crime Reduction Manager (Safer Bristol - Crime & Substance Misuse Services) | 1 | £33,600 | £0 | Yes | 1 | 1 | 28/02/11 | (i) |
| 14/01/11 | NH | Nick Carter | Rick Palmer | Policy Co-ordination Unit Manager (Safer Bristol - Regulatory Services) | 2 | £81,200 | £14,700 | No | | | | |
| 28/01/11 | CYPS | Nick Batchelar | Nick Batchelar | Schools Improvement | 18 | £573,000 | £62,000 | Yes | 18 | 18 | by 31/7/11 | (ii) |
| 09/02/11 | CD | Pat Medcalf | Peter Mann | Passenger Services Drivers | 26 | £222,056 | £121,825 | Yes | 26 | 26 | by 30/6/11 | (ii) |
| 21/12/10 | CD | Gary Collins/Julie Seaton | Zoe Willcox | Development Management | 18 | £134,801 | £98,509 | Yes | | 7 | Feb - Mar 2011 | (i) |
| 15/02/11 | CD | Kate Davenport | Zoe Willcox | Arts & Culture | 6 | £70,000 | £30,000 | Yes | 1 | | | (ii) |
| 15/02/11 | CS | John Charters | Will Godfrey | Corporate Commissioning | 3 | £60,000 | £20,000 | No | | | | |
| 15/02/11 | H & SC | Netta Meadows | Netta Meadows | Strategic Planning & Commissioning | 4 | £147,000 | £99,043 | Yes | 4 | 4 | Apr - Jul 2011 | (ii) |
| 22/02/11 | CD | Richard Smith | Alun Owen | City Docks | 5 | £129,000 | £35,000 | Yes | 5 | 5 | Jul - Nov 2011 | (ii) |
| 01/03/11 | NH | Nick Carter | Rick Palmer | Regulatory Compliance Unit - Licensing Team Leader | 1 | £27,000 | £36,726 | Yes | 1 | 1 | 20/05/11 | (ii) |
| 07/03/11 | NH | Peter Anderson | Rick Palmer | Crime Reduction Officer Team (Safer Bristol - Crime & Substance Misuse Services) | 1 | £33,133 | £57,048 | Yes | | | | (ii) |
| 30/03/11 | CS | | Paul Arrigoni | ICT | (2011/12) 20 | £420,252 | £280,168 | Yes | | | | (ii) |
| | | | | | (2012/13) 5 | £105,063 | £70,042 | Yes | | | | (iii) |
| | | | | | (2013/14) 5 | £105,063 | £70,042 | Yes | | | | (iii) |
| | | | | | (2014/15) 5 | £105,063 | £70,042 | Yes | | | | (iii) |
| 20/04/11 | CS | Tony Harvey | Mike Watts | Print Services | 4 | £41,178 | £14,321 | Yes | | | | (ii) |
| | | | | | | | | | | | | |
| Date | Directorate | Service Manager | Service Director | Workgroup | Estimated reduction in the number of redundancies otherwise required | HoPS Approval Given | Implementation | | | | | |
| 11/12/10 | CD | Gary Collins/Julie Seaton | Zoe Willcox | Development Management | 2 | Yes | 04/04/11 | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |

NOTES

Implementation

- (i) completed
- (ii) on schedule for completion during 2011/12
- (iii) will not be implemented during 2011/12
- (iv) VSS not applied