Report to	Council	**Item**
	16 March 2021	9
Report of	Chief executive officer	
Subject	Approval of redundancy costs	

Purpose

To seek agreement to incur exit costs relating to organisational change as part of the senior management review.

Recommendation

To approve the exit costs relating to a redundancy.

Corporate and service priorities

The report helps to meet all of the corporate priorities

Financial implications

Estimated one off cost to the council of £153,014 based on a redundancy date of 23 May 2021, to be funded from within existing budget provision.

Ward/s: All Wards

Cabinet member: Councillor Waters - Leader

Contact officers

Stephen Evans, chief executive officer

Dawn Bradshaw, head of HR and learning 01603 987524

Background documents

None

Report

1. The openness and accountability in local pay guidance requires that full council are offered the opportunity to vote on severance packages above £100k before they are approved for employees leaving the council.

2. There is a statutory requirement to make redundancy payments to employees who are dismissed on the grounds of redundancy and have a minimum of two years continuous service. In addition, and in accordance with the local government pension scheme regulations, employees who are aged 55 or over and who are redundant have immediate access to their pension benefits. In some circumstances this incurs a pension strain cost payable to the pension fund by the council.

3. As a consequence of the senior management review a number of roles have been deleted and new roles created.

4. In accordance with the constitution, the selection and appointment to the new roles was made by a panel of elected members, nominated by the Leader of the Council and the leaders of the other political groups.

5. The assessment and selection process has concluded and as a result one person has not been appointed to a role in the new structure. The council does not have suitable alternative employment to offer as an alternative to redundancy. Notice of redundancy has been given, subject to Council approval of the costs of the redundancy.

6. The components of the cost of the redundancy based on a redundancy date of 23 May 2021 are:

Redundancy payment	£59,386.61
Pension strain cost (for early payment of pension)	£93,627.07

   The above costs will increase if a cost of living pay increase is agreed as part of the annual national pay negotiations.

7. It is a legal requirement to make a payment for any accrued holiday that hasn’t been taken at the employees leave date, which may incur an additional cost.

Integrated impact assessment

NORWICH City Council

The IIA should assess **the impact of the recommendation** being made by the report
Detailed guidance to help with the completion of the assessment can be found here. Delete this row after completion

Report author to complete	
Committee:	Council
Committee date:	16 March 2021
Director / Head of service	Dawn Bradshaw
Report subject:	Exit costs
Date assessed:	

	Impact			
Economic (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Finance (value for money)	☐	☐	☐	The redundancy incurs one off costs
Other departments and services e.g. office facilities, customer contact	☐	☐	☐	Not applicable
ICT services	☐	☐	☐	Not applicable
Economic development	☐	☐	☐	Not applicable
Financial inclusion	☐	☐	☐	Not applicable
Social (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Safeguarding children and adults	☐	☐	☐	Not applicable
S17 crime and disorder act 1998	☐	☐	☐	Not applicable
Human Rights Act 1998	X	☐	☐	
Health and well being	X	☐	☐	

	Impact			
Equality and diversity (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Relations between groups (cohesion)	☐	☐	☐	Not applicable
Eliminating discrimination & harassment	X	☐	☐	Equality impact assessment carried out on senior management proposals
Advancing equality of opportunity	X	☐	☐	Equality impact assessment carried out on senior management proposals
Environmental (please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**
Transportation	☐	☐	☐	Not applicable
Natural and built environment	☐	☐	☐	Not applicable
Waste minimisation & resource use	☐	☐	☐	Not applicable
Pollution	☐	☐	☐	Not applicable
Sustainable procurement	☐	☐	☐	Not applicable
Energy and climate change	☐	☐	☐	Not applicable
(Please add an 'x' as appropriate)	**Neutral**	**Positive**	**Negative**	**Comments**

	Impact			
Risk management	☐	☐	☐	

Recommendations from impact assessment
Positive
Negative
Neutral
Issues