

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan

REPORT OF THE EXECUTIVE DIRECTOR CORE SERVICES TO CABINET ON 22 SEPTEMBER 2021

REVISIONS TO THE SELECTIVE VOLUNTARY EARLY RETIREMENT/VOLUNTARY SEVERANCE POLICY

1. PURPOSE OF REPORT

The report details the proposed changes to the Council's Selective Voluntary Early Retirement Scheme/Voluntary Severance (SVER/VS) Policy and the impact this will have on the Council.

2. RECOMMENDATIONS

To approve the suggested revisions and introduction of additional criteria as outlined in Section 4 of this report. This will allow greater flexibility for Services and employees throughout the Managing Change process.

Cabinet is asked to resolve to recommend the approval of the policy variations to the next meeting of the full council.

3. INTRODUCTION

The SVER/VS policy forms part of the Council's Managing Change Policy. The SVER/VS policy assists in facilitating structural changes of the Council workforce in line with prevailing economic conditions without the need (or to minimise the need) for compulsory redundancies.

SVER is available to employees on a voluntary basis subject to approval. An employee who is aged 55 or over and who is made redundant is allowed access to their accrued Local Government Pension Scheme (LGPS) benefits and if eligible they will also receive a redundancy payment in line with current Council policy.

VS is available to employees' subject to approval on a voluntary basis who are unable to access their LGPS benefits either because they are under the age stipulated by the LGPS (currently 55 or over) or they are not members of the pension scheme. Employees who take VS are entitled to receive a redundancy payment subject to having a minimum of two years' service either with the Council or with another body recognized under the Modifications Order.

It is important to recognise that SVER/VS is not an entitlement. Whilst the schemes can provide agility and flexibility for the workforce, service delivery & workforce

succession planning are paramount when considering expressions of interest in SVER/VS from employees.

SVER/VS are currently only approved on an individual basis if the savings are equal to or greater than the costs (redundancy/pension strain costs) over a period of 3 years (the pension costs are paid from the Council to the Pensions Authority in a lump sum in year 1).

4. PROPOSAL AND JUSTIFICATION

The SVER/VS policy is amended to include the following new criteria:

- Whilst the 3 years cost/saving period remains, where there is a 'marginal cost' above the 3 years or 'exceptional circumstances', the Panel (see below) can approve SVER/VS in the particular circumstances of the case (this is likely to be anything under 4 years).
- Where there are several SVERs/VSs requests as part of a Managing Change process, then the 'pool of savings' will be looked at holistically together with individual costs/savings. This may, providing a saving is made/efficiency target is met, permit a particular employee to leave as such cost is offset thereby facilitating organisational change whilst maintaining a saving/efficiency target.
- Creation of a panel to approve all expressions of interest in SVER/VS. The panel will be Michael Potter (SD – Business Improvement, HR & Communications) and Neil Copley (SD Finance/Section 151 Officer).

5. CONSIDERATION OF ALTERNATIVE APPROACHES

The only alternative is to continue with the current policy. However, this does not give services the flexibility they require during the Managing Change process. It also increases the possibilities of compulsory redundancies which carry litigation risks due to the nature of such dismissals.

6. IMPLICATIONS FOR LOCAL PEOPLE/SERVICE USERS

Public funds are utilised to facilitate SVER/VS. However, the funding of SVER/VS are recovered through savings and the voluntary nature by which they are agreed enables services to effect positive change for the public/service users

7. FINANCIAL IMPLICATIONS

The proposed change to policy will assist in the delivery of ongoing efficiencies. Initial costs associated with SVER and Pensions (strain) costs are provided for corporately to allow services the flexibility to deliver proposed efficiencies over the agreed time period.

8. EMPLOYEE IMPLICATIONS

If the new provisions are implemented, this could result in employees being considered for SVER/VS when due to the requirements of the current policy they

otherwise would not be. Subsequently this could potentially minimise the number of compulsory redundancies and reduce risks of challenges.

9. LEGAL IMPLICATIONS

The proposed amendments reduce the risk of the Council applying a discriminatory (Age) Practice, Criterion or Provision and are recommended.

The Restriction of Public Sector Exit Payments Regulations 2020 aimed to place a 'cap' on the amount of money a Public Sector employer could pay when an employee leaves their employment have been revoked. It is anticipated further reforms will likely be announced/introduced to ensure exit payments do not burden the taxpayer/public funds which may impact the Policy in the future.

10. CUSTOMER AND DIGITAL IMPLICATIONS

None directly arising from this report.

11. COMMUNICATIONS IMPLICATIONS

The revised policy will be published alongside existing HR policies on the HR intranet and cascaded to services via the HR BP network.

12. CONSULTATIONS

Trade Unions
Senior Management Team

13. PROMOTING EQUALITY, DIVERSITY AND SOCIAL INCLUSION

It is not anticipated these amendments will directly or indirectly impact employees in relation to any equality, diversity and social inclusion issues.

14. RISK MANAGEMENT ISSUES

To keep up to date with the reforms being proposed on exit payments in the event any amendments are required to the Council's policies.

15. GLOSSARY

Not Applicable.

16. LIST OF APPENDICES

Appendix 1 - Proposed SVER/VS Policy

17. BACKGROUND PAPERS

Background papers are available for consideration from the Service Director - Business Improvement, HR and Communications.

Report author: Service Director – Business Improvement, HR & Communications

Financial Implications/Consultation



10/09/21

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(To be signed by senior Financial Services officer where no financial implications)