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<b>Report To:</b>	<b>Policy and Resources Committee</b>	<b>Date:</b> 16 November 2010
<b>Report By:</b>	<b>Head of Organisational Development, Human Resources and Performance</b>	<b>Report No:</b> HR/11/10/AM
<b>Contact Officer:</b>	<b>Alasdair Moore</b>	<b>Contact No:</b> 01475 712015
<b>Subject:</b>	<b>Voluntary Severance – Request for Delegated Authority to be granted to the Chief Executive</b>	

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## **1.0 PURPOSE**

- 1.1 The purpose of this report is to request that the Committee grant delegated authority to the Chief Executive in respect of releasing employees through the Council's Voluntary Severance Scheme.

## **2.0 SUMMARY**

- 2.1 Services have put forward savings options as part of the budget process that includes the possible release of employees if the savings were to be agreed by the Council. In addition the Policy and Resources Committee has previously agreed Workstream Savings Exercises that may also require the release of employees through the Council's Voluntary Severance Scheme.
- 2.2 It is anticipated that the number of employees that may require to be released could be greater than normal and to ensure that agreed savings are achieved during the early part of 2011 it is necessary to release employees by the end of this calendar year due to the normal 12 weeks notice period required to be worked by an employee.
- 2.3 Where teachers are to be released then this also must be in place by May 2011 to ensure that any savings are in place for the beginning of the new school year in August.
- 2.4 If a 2 year budget is agreed the release of employees will be carried out on an ongoing basis. Any saving that is agreed to be effective from 31 March 2012 may result in an employee being displaced with the employee requesting Voluntary Severance well in advance of the agreed saving date. Consideration has been given to this position by the Corporate Management Team with a view to allowing the release of the employee in advance of the saving date.

## **3.0 RECOMMENDATIONS**

- 3.1 That the Committee agrees to the Chief Executive being given delegated authority until 30 June 2011 to release employees as part of either Budget Proposals subject to agreement by the Council or the Workstream Savings Exercise already approved by the Policy and Resources Committee.
- 3.2 That the Committee agrees that an employee who is displaced and wishes to be released under the Council's Voluntary Severance Scheme can be released in advance

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of an agreed saving date.

- 3.3 That a further report be submitted to the Policy and Resources Committee advising of employees who have been granted release by the Chief Executive.

Head of Organisational Development,  
Human Resources and Performance

## **4.0 BACKGROUND**

- 4.1 The Policy and Resources Committee has previously granted delegated authority to the Chief Executive to release employees through the Council's Voluntary Severance scheme. The Committee has also previously agreed trawls within the Administrative and Clerical employee group, ongoing Budget Savings and the Teachers' Refresh Trawl.
- 4.2 As part of the ongoing Budget proposals, Services have put forward savings options that include the possible release of employees if the proposed savings were to be agreed by the Council. The Committee has previously agreed a number of Workstream Savings Exercises that may also require the release of employees through the Council's Voluntary Severance Scheme.
- 4.3 As there are a number of processes being utilised by the Council to close the budget gap, it is anticipated that the number of employees that may require to be released will be greater than normal. When releasing employees, a minimum period of 12 weeks notice is required and for those savings that require to be implemented by early 2011 the release of employees must be achieved by the end of the calendar year. In respect of teachers being released then this must be in place by May 2011 to achieve any savings by the start of the new school year in August 2011.
- 4.4 Where a saving is not due to become effective until 31 March 2012 an employee who will be displaced at that date may request Voluntary Severance now which is well in advance of the date agreed by the Council. Consideration has been given to the position employees will find themselves in by the Corporate Management Team with a view taken to allow the release of an employee in advance of agreed savings dates.

Where an employee is released in advance of the saving date then the agreement would be subject to any statutory change to the pension regulations or changes agreed by the Strathclyde Pension Fund Organisation and the employee would be advised of this in writing.

## **5.0 PROPOSALS**

- 5.1 To ensure the timeous release of employees to achieve savings it is proposed that delegated authority be given to the Chief Executive to release employees under the Council's Voluntary Severance Scheme for the agreed Workstream Savings and any Budget savings that agreed by the Council.
- 5.2 The delegated authority being proposed for to the Chief Executive should be up to 30 June 2011 and any release of an employee through Voluntary Severance should be subject to the following:
  - a) That the release of an employee must either be as a result of the ongoing Budget Exercise or through a Workstream Saving.
  - b) That any release is subject to confirmation by the Head of Organisational Development, Human Resources and Performance and the Chief Financial Officer as being Value for Money (VFM) as per the Council's current policy.
  - c) That a report is submitted to the Policy and Resources Committee by the Head of Organisational Development, Human Resources and Performance advising all employees who are granted release by the Chief Executive.

- 5.3 It is being proposed that where a saving is not due to become effective until 31 March 2012, employees who are displaced may be granted Voluntary Severance in advance of the saving date.

Any agreement to release an employee would be subject to the Pension Scheme being amended through a statutory provision or the Strathclyde Pension Fund Organisation and this would be advised to the employee when release was granted.

## **6.0 FINANCIAL IMPLICATIONS**

- 6.1 The Council currently has approximately £7 million earmarked for meeting the cost of Voluntary Severance and Early Release. Only a proportion of this sum will be required to fund the releases for which delegated authority is being requested.

- 6.3 Legal: None

## **7.0 CONSULTATION**

- 7.1 The trades unions have been made aware through the Joint Budget Group meetings of the need to release employees.