

SLOUGH BOROUGH COUNCIL

REPORT TO: Council **DATE:** 22nd July 2021

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PART I **FOR DECISION**

OUR FUTURES PROGRAMME – APPROVAL OF SEVERANCE PACKAGES

1. Purpose of Report

This report seeks Council's approval for the payment of severance packages to Slough employees who have not been successful in securing roles in the new organisational structure implemented as part of the 'Our Futures Programme'.

2. Recommendation

Council is requested to agree the severance packages set out in the appendix to this report.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The 'Our Futures Programme' is part of the Council's plan to deliver its ambitious agenda set out in the above strategies.

4. Transformation Programme

In April 2019 Cabinet approved the business case for a transformation programme to deliver a new operating model for the Council. The need for the programme was driven by rising demand for Slough's key services in the context of reduced central government funding and changing customer expectations. The business case reflected the Council's ambition to be a world class organisation, with a sustainable cost base and a 'one council' staff team. The business case noted SBC's Medium-Term Financial Strategy that required savings of £20m to be delivered by 2022, of which £4m were to be delivered directly by the transformation programme. It included provision for both the costs of the implementation team and £1.8m for redundancy costs.

Progress

Recruitment to the new structure was carried out in accordance the Council's 'Organisational Change' policy, which aims to ensure staff are treated fairly and in accordance with their employment rights, whilst minimising compulsory

redundancies. The policy envisages posts in a new structure being filled by job matching, ring fenced interviews, restricted internal competition and, as a last resort external advertisement.

The programme is nearing completion and there are a small number of employees who have not been successful in securing roles in the new structure and are hence at risk of redundancy. The amount of an individual's redundancy entitlement is calculated in accordance with their contract of employment, final salary and length of service. Additionally, those staff that are over 55 and in the Local Government Pension Scheme are entitled to receive their pension upon leaving the Council and the figures in the Appendix include the cost to the Council of putting their pensions into payment early as a result of the redundancy.

In recognition of the unsettling impact of a restructure on affected staff, the Council has supported the individuals throughout this process, which includes access to the existing employee support scheme.

Legal Framework

In February 2013 the Department for Communities and Local Government issued guidance 'Openness and accountability in local pay: Guidance under section 40 of the Localism Act 2011'

The Guidance requires that

Authorities should offer full council the opportunity to vote before large severance packages beyond a particular threshold are approved for staff leaving the organisation. As with salaries on appointment, the Secretary of State considers that £100,000 is the right level for that threshold to be set.

In presenting information to full council, authorities should set out clearly the components of relevant severance packages. These components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.

The components are set out in the attached schedule.

Finance Comments

The payments will be financed from the Council's budget.

Appendix

Schedule of Proposed Severance Payments