



General Purposes Committee
28 May 2024

Report from Head of Paid Service

Approval to Make Severance Payment

| | |
|--|---|
| Wards Affected: | N/A |
| Key or Non-Key Decision: | N/A |
| Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act) | Partially Exempt: Appendix 1 is Not for Publication as it relates to the following category of exempt information as specified under paragraph 1 Schedule 12A of the Local Government Act 1972 namely: 'information relating to an individual'. |
| List of Appendices: | One Appendix 1: Proposed redundancy payment |
| Background Papers: | None |
| Contact Officer(s): (Name, Title, Contact Details) | Debra Norman Corporate Director, Law & Governance 020 8937 1578 Debra.Norman@brent.gov.uk |

1.0 Executive Summary

- 1.1 This report seeks approval to make one severance payment, consisting predominantly of actuarial strain costs relating to the release of a pension on the basis that the employees' post is redundant. As the pension strain costs that the council must bear as part of the Pension scheme rules, amount to over £100,000 the General Purposes Committee (GPC) is asked to approve the payment.
- 1.2 In accordance with Standing Order 60 approval has been obtained to this being accepted as an urgent item for consideration at this meeting of the General Purposes Committee. The reason for urgency is as follows:

As the payment relating to the proposal will exceed £100k it requires GPC approval, prior to final notice being served. The reason for urgency is that consultation on the Voluntary Redundancy process closed on Friday 17 May 24 when a volunteer came forward and officers wish to service notice by the 31

May 2024 to confirm deletion of that role. Given the consultation deadline, it was not possible to include notice of the item as part of the main agenda for this meeting, prior to its publication.

2.0 Recommendations

- 2.1 Having been accepted as an urgent item, to approve the severance payment set out in the Appendix to this report.
- 2.2 To note that the payment does not include any element additional to sums calculated in accordance with the council's Managing Change Policy and the requirements of the Local Government Pension Scheme.

3.0 Detail

3.1 Contribution to Borough Plan Priorities & Strategic Context

- 3.1.1 The development of a more modern, proactive and impactful HR and Organisational Development service is essential for Brent Council so that all Directorates are supported to plan, lead, manage and develop the workforce to make the very best contribution to the delivery of the Borough Plan and other council priorities.

3.2 Background

- 3.2.1 One of the outcomes of the recent HR and Organisational Development restructure was to reconfigure the service to better support the council's departments. The council's change programme led to a change to the structure resulting in some roles being deleted and new roles being created. When consultation on the restructure closed on 17th May 2024, following a 5 week consultation period, one volunteer came forward.
- 3.2.2 Employees with two or more years' continuous service at the council or other bodies listed in the Redundancy Payments (Continuity of Employment in Local Government) Modification Order are entitled to a redundancy payment in accordance with the council's policies. The council's policy is based on the statutory scheme but actual salary rather than the statutory weekly maximum is used for the calculation. In addition, a severance payment, equal to 50% of the redundancy payment so calculated, is currently made to those made redundant.
- 3.2.3 Agreeing this voluntary redundancy facilitates the implementation of the new HR and Organisational Development structure and avoids the need for a compulsory redundancy process.
- 3.2.4 More detail is contained in the exempt appendix.

4.0 Stakeholder and ward member consultation and engagement

- 4.1 None

5.0 Financial Considerations

- 5.1 The total cost of the redundancy results in a payback period of less than two years, which is within the agreed benchmark for long term financial considerations.
- 5.2 The one-off cost of the redundancy, severance and pension strain will be funded from the Council's corporate redundancy budget.

6.0 Legal Considerations

- 6.1 The council has power to enhance the statutory redundancy scheme and to make severance payments to staff not eligible for that scheme under Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006 (as amended) where dismissal is for redundancy or efficiency reasons. The policy adopted by the council is contained in its Managing Change Policy.
- 6.2 The council is required under Regulation 30 of the Local Government Pension Scheme Regulations to release an individual's pension without the normal actuarial reduction to reflect early payment in the event they are made redundant at or over the age of 55 years.
- 6.3 Statutory guidance under the Localism Act 2011 provides that termination payments (including pension strain) which exceed £100k should normally be approved by full Council. More recent guidance under the Local Government Act 1999 provides that Special Severance Payments, as defined in the guidance (this does not include pension strain or contractual elements), must be referred to full council if the overall payment exceeds £100k. The council must have regard to this guidance. There is no special severance element in either of these payments.
- 6.4 The council's Pay Policy Statement provides that where practicable, and unless the Chief Executive agrees otherwise, termination payments which exceed £100k will normally be agreed by full council or a committee of the council.
- 6.5 Other legal implications are contained in the body of the report.

7.0 Equity, Diversity & Inclusion (EDI) Considerations

- 7.1 The public sector equality duty, as set out in section 149 of the Equality Act 2010, requires the Council, when exercising its functions, to have "due regard" to the need to eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act, to advance equality of opportunity and foster good relations between those who have a "protected characteristic" and those who do not share that protected characteristic. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 7.2 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected

characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

7.3 There are no diversity implications in respect of this report.

8.0 Climate Change and Environmental Considerations

8.1 None.

9.0 Human Resources/Property Considerations (if appropriate)

9.1 None save as set out in the report.

10.0 Communication Considerations

10.1 There are no communication considerations arising out of this report.

Report sign off:

Kim Wright

Chief Executive and Head of Paid Service