

	<p align="center">General Purposes Committee 15 July 2024</p>
	<p align="center">Report from Head of Paid Service</p>
<p align="center">Approval to make Severance Payments</p>	

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highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Partially Exempt: Appendix 1 is Not for Publication as it relates to the following category of exempt information as specified under paragraph 1 Schedule 12A of the Local Government Act 1972 namely: 'information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 payments
Background Papers:	None
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1.0 Executive Summary

1.0 This report seeks approval to make up to four severance payments, consisting predominantly of actuarial strain costs relating to the release of a pension on the basis that the employees' posts are redundant. As the pension strain costs that the council must bear as part of the Pension scheme rules, amount to over £100,000 for each employee the General Purposes Committee is asked to approve the payments.

2.0 Recommendations

2.1 To approve the severance payments set out in the exempt Appendix to the report.

2.2 To note that the payments do 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 restructure will focus services in a resident centric way, leading to better access to services for our tenants, better visibility on our estates and management of key issues that impact on their quality of life, . Most notably the impact will be around sustaining tenancies, preventing homelessness and increasing the supply of social homes to homeless clients living in temporary accommodation.

3.2 Background

3.2.1 Following the Building Safety Act 2022 and Social Housing Regulation Act 2024, as well as the pending published outcome of the Tenant Satisfaction Measures (all new legislation following the Grenfell tragedy), it is crucial that Brent is able to meet the needs and expectations of tenants and be regulatory ready. This restructure is focused on outcomes, merging roles so that tenants have better access to services whilst also making savings and looking ahead, to where services need to be. When consultation closed on 24 May 2024 following a consultation period, ten volunteers came forward to request redundancy. Of these ten, two require approval from the Committee. A further two are at risk of redundancy if they do not secure roles that they have ring fenced interview rights for, where their current roles are deleted.

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 these severance payments facilitates the implementation of the new Housing Management Service structure and reduces the need for a compulsory redundancy process.

4.0 Stakeholder and ward member consultation and engagement

None

5.0 Financial Considerations

5.1 Housing Management Services staff establishment is funded from the Housing Revenue Account (HRA). Budgetary impacts of proposed changes have been

assessed by comparing the existing budgeted structure against proposed changes.

- 5.2 The new structure proposes an overall reduction in staffing and an ongoing reduction in the establishment cost estimated at £0.67m per annum once fully implemented. The current estimated cost for redundancy, severance and pension strain is lower than the estimated future savings from restructure, resulting in payback projections within a year.
- 5.3 Estimated restructure costs will be realised before savings from the restructure is achieved, therefore any in year budgetary shortfalls arising from termination payments will be managed through use of earmarked reserves.

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 An equality impact assessment has been done prior to and during the restructure, and will be carried out following it's implementation.

8.0 Climate Change and Environmental Considerations

- 8.1 There are no Climate Change and Environmental considerations in respect of this report.

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 in respect of this report.

Report sign off:

Kim Wright

Chief Executive and Head of Paid Service