

FULL COUNCIL**11**

Report Subject	Local Government Reorganisation Redundancy situation - Head of Paid Service
Meeting date	15 January 2019
Cabinet Portfolio	Councillor John Beesley – Leader of the Council
Corporate Lead	Julian Osgathorpe, Executive Director Corporate Services
Service Director	Saskia de Vries, Service Director Human Resources and Organisational Development
Status	Public
Classification	For decision
Key Decision	N/A
Impacts on Key Policy Framework	No
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Executive summary	<p>As a result of Local Government Reorganisation Bournemouth Borough Council ceases to exist on 31 March 2019 and the post of Managing Director/Head of Paid Service is redundant from this date.</p> <p>This Report sets out the proposed arrangements arising from this situation.</p> <p>The arrangements are based upon statutory and contractual requirements for redundancy payments and pension entitlements.</p> <p>The proposal requires full Council approval as it relates to the employment of the Head of Paid Service which is a statutory role.</p>
Recommendations	That Council agrees to the arrangements contained within paragraph 5 of this report and authorises the Monitoring Officer to enter into an agreement on

	behalf of the Council reflecting the proposed arrangements and financial parameters set out and containing the necessary legal and HR provisions required to enable this to take effect.
Reasons for recommendations	To comply with statutory and contractual obligations set out within the employment legislation and relevant parliamentary orders relating to Local Government Reorganisation.

Background and proposed arrangements

1. The business case for Local Government Reorganisation in Dorset contained specific reference to a reduction in senior management posts, both within the Local Partnerships Report and the PWC Case for Change. The savings resulting from this form part of the anticipated benefits to be achieved in the early years of the new Council. An initial investment to fund redundancies was allocated as part of the programme costs. These costs are currently well within the projections.
2. The Local Government Restructuring: Guidance on Staffing Issues sets out the Government's expectation as to how staffing matters should be handled under LGR.
3. The position is that where an incumbent Head of Paid Service is not appointed by the new council they shall be treated as being dismissed by reason of redundancy. The postholder would first TUPE to the new council, and the process to dismiss by reason of redundancy would then need to be carried out by the new council after 1 April 2019.
4. To avoid delay and increased costs, and to facilitate the smooth transition to the new council, the Managing Director/Head of Paid Service has agreed to the proposed arrangements being clarified and finalised ahead of 1 April 2019 so that the matters are settled before the date of transition to the new Council.
5. The proposed arrangements are that:
 - a. The Managing Director/Head of Paid Service will continue to perform her role and attend work throughout the remaining period until March 2019 to facilitate the smooth transfer of services and ensure that the Council meets its statutory obligations and corporate priorities during the period until the end of March.
 - b. An agreement be entered into between the Council and the Managing Director/Head of Paid Service to reflect contractual and statutory entitlements. The financial implications and parameters are set out below. The calculations are based upon the contractual entitlement and take into account the length of continuous service at a senior level within the public sector undertaken by the post holder.

Summary of finance and resourcing implications

6. The agreement proposed will incorporate an amount equivalent to the costs of redundancy, contractual notice pay and compensation for loss of office and statutory rights amounting to £117,299.36. This amount incorporates an amount of £ 67,552.30 redundancy entitlement; £32,621.76 notice; £17,125.30 compensation for loss of office.
7. In addition, the Local Authority pursuant to the contractual arrangements which are in place as standard in the sector, will be required to meet a £355,621 pension strain capital cost payment to the Dorset County Local Government Pension Fund relating to the individual's departure before the normal retirement age.
8. The BCP Shadow Executive Committee considered the implications of the costs of redundancy at its meeting in July 2018 as part of the overall MTFP position. It agreed to consider the implications and costs of all Tier 1 and Tier 2 posts and this Report has therefore been shared with members of the Shadow Executive Committee.
9. Provision to fund such costs was made as part of the Programme Resourcing report to the Shadow Executive on the 17 October 2018. Approval was obtained within this report for an initial £1.5m to be set aside to cover such early redundancy costs.

Summary of legal implications

10. The proposed arrangements will ensure that the Council complies with its contractual and statutory obligations in respect of employment law. The arrangements also ensure that the Council complies with its obligations pursuant to the Structural Changes Order, to undertake its functions to ensure smooth transition of functions to the new Council in April 2019. The proposal facilitates this by ensuring clarity and efficiency of costs.

Summary of human resources implications

11. The post holder has significant local government service upon which the contractual entitlements are based. She has worked for Bournemouth Borough Council for a period of 12 years, immediately before which she worked for Poole Council for four years. During this time she has made an enormous and positive contribution to both organisations, to her colleagues and the workforce generally and also to the public. In particular, in recent months she has spearheaded the transition to BCP and has shown great dedication and professionalism in driving forward the process to ensure that LGR happens. The post holder's willingness to enter into arrangements with the Council to facilitate clarity and financial efficiency provides financial and organisational benefit to both the existing and new councils and assists the overall HR work being undertaken within the LGR process.

Summary of equalities and diversity impact

12. The council is compliant with its public sector equality duties in proposing the arrangements set out in this report.

Consultation

13. The Shadow Executive Committee at its meeting in July 2018 agreed to an approach to redundancies which relate to local government reorganisation. This approach included reference to ensuring the Shadow Executive Committee was consulted in respect of all redundancies at Tier 1 and Tier 2 levels.

14. All Shadow Executive Committee members were individually consulted prior to the recommendation made to the Shadow Authority in October 2018 to appoint the Chief Executive for the new Council. The consequences of this decision are that the existing post holders in Tier 1 positions will be redundant following the transition to the new Council on 1 April 2019 as a matter of law. In addition to this consultation already undertaken, the Shadow Executive Committee members will receive a copy of this report.