

Slough Borough Council

Report to:	Council
Date:	27 th July 2023
Subject:	Deletion of the post of Executive Director – Place and Communities
Chief Officer:	Stephen Brown – Chief Executive
Contact Officer:	Stephen Taylor – Monitoring Officer Adele Taylor – S151 Officer Surjit Nagra – Associate Director - HR
Ward(s):	All
Exempt:	No, whilst this report contains personal information about a member of staff, the seniority of the staff member means it is in the public interest for this information to be reported in public.
Appendices	None

1. Summary and Recommendations

This report seeks Council's approval for the payment of a severance package to the post holder of the position of Executive Director Place and Communities. The number of Executive Director (ED) posts has been reduced by one and the postholder has volunteered for redundancy to avoid the need for a selection process. As the post is redundant, the postholder is entitled to a redundancy payment in accordance with statutory and contractual entitlement. Due to his age and entitlement to full pension, the package includes pension strain leading to a package of over £100k. In accordance with the Localism Act and associated guidance, and the Council's own Pay Policy Statement, Full Council should vote on any severance packages in excess of £100k.

Recommendations:

Council is requested to agree the severance package set out in this paper.

Reason:

Following a consultation on the reduction of the existing six ED's down to five, a request for voluntary redundancy (VR) was agreed in principle. The consultation has now come to an end and the VR request has been agreed which facilitates the new proposed model of a five directorate model for the organisation. The resulting severance is over £100k which requires approval from Full Council.

Commissioner Review

The Commissioners support the strategic approach to improving the senior management of the council. Recovering from the issues of the past is an expensive process that still has some way to go.

2. Report

Introduction

- 2.1 2021 and 2022 have been very challenging years for Slough Borough Council and its staff. The very serious financial challenges highlighted by the s151 officer in July 2021 were confirmed on 25 October 2021 when the Department for Levelling Up Housing and Communities (DLUHC) Governance report and the Chartered Institute of Public Finance and accountancy (CIPFA) report on the Council's finances and governance processes were issued. The significant underlying weaknesses highlighted in these reports had arisen over a period of several years and represented the combined impact of a wide range of issues including, but not limited to, significant capacity and capability issues.
- 2.2 As part of getting the right level of skills and experience at senior levels to ensure the capability and capacity issues can be address a review of the senior levels in the organisation is being undertaken. The review is to ensure a fit for purpose structure which will be aligned to the priorities to be set out in the Council's intended new corporate plan. It will affect the top three tiers of the organisation: Executive Directors, Associate Directors, and Group Managers. The proposal is to create a top three tier of Executive Directors and two new tiers of Directors and Heads of Service, and will increase the capacity and capability to address the concerns that have been highlighted.
- 2.3 Informal consultations have been taking place with the Senior Management teams to engage the current senior management top three tiers on the proposed new structure.
- 2.4 The first phase of the senior manager structure involves the Executive Leadership Team made up of currently six Executive Directors. The new model proposed reducing the current executive directors from six to five. The existing six executive directors were consulted and due to the voluntary

redundancy expression of interest, the remaining five directors are now assigned to the slightly changed ED roles.

- 2.5 Below are the key changes that were proposed which were consulted on:
- To formally delete the current Place and Community directorate and distribute the functions between other five directorates.
 - There is a separate consultation of a wider restructure and change of roles at Director and Head of Service level. This will result in changes of reporting lines and responsibilities for some staff.
- 2.6 The Council's organisational change policy has been followed throughout the process, including engagement with recognised trade unions.
- 2.7 The Council's policy encourages the reduction of the likelihood of compulsory redundancies in the event of a change in several ways, including offering an opportunity for employees to express an interest in voluntary redundancy (VR) and/or early retirement. The opportunity for any permanent Executive, Associate Director, and Group Managers to confirm if they wish to be considered for voluntary redundancy was encouraged during the informal stage. An expression of interest does not imply any commitment on the part of the employee or the Council that this will be agreed.
- 2.8 The VR request is agreed and the redundancy cost arising from that now needs to be approved by the Council.
- 2.10 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 paragraph 3.1 includes the cost to the Council of putting their pensions into payment early as a result of the redundancy.
- 2.11 The postholder will be given notice at the end of August 2023 once all the consequential transitional arrangements and the implementation of the changes to the bin collection service have been actioned. In the circumstances, Pay in Lieu of Notice is likely to apply.

3. Implications of the Recommendation

3.1 Financial implications

The total costs of the package amount to **£378,235** and are broken down as follows:

Description	Costs	Comment
Redundancy Payment	£80,032	Salary £139,102.97 – 30 weeks compensation
Pension Strain	£264, 603	
Pay in lieu of notice	£33,600	12 weeks contractual notice period
Annual Leave	Unknown yet	
Total Costs	£378,235	

The severance package identified will be funded from a specific budget that has been set aside at a corporate level for the cost of organisational change and redundancy, recognising that the organisation is in transition.

3.2 Legal implications

3.2.1 The Council must comply with its own Pay Policy Statement which states that

Any redundancy or severance packages of £100,000 or more will be approved by Full Council. In presenting the information to Full Council the components of any such severance package will be set out including salary paid in lieu; redundancy compensation; pension entitlements; holiday pay; and fees or allowances paid.

3.2.2 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'

3.2.3 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.

3.2.4 The components are set out above. These components comprise the contractual entitlement and as such are not special severance payments. The Council may consider permitting the employee to leave without working his notice period and instead to receive pay in lieu of notice. This payment could be seen as special severance over and above contractual entitlement, but may be appropriate if a full handover has been completed and to allow for a quicker move to the new permanent structure.

3.3 *Risk management implications*

There are no specific risk management implications arising from this report.

3.4 *Environmental implications*

There are no direct environmental implications arising from this report.

3.5 *Equality implications*

Monitoring data is collected on staff leaving the organisation and this is reported to the Employment Committee in an anonymised format. An equality impact assessment will be completed on the wider restructure to consider whether this impacts on specific protected groups more than others and if this impact is negative, whether mitigating measures are required.

3.6 *Procurement implications*

There are no procurement implications arising from this report.

3.7 *Workforce implications*

The redundancy will result in one less chief officer.

3.8 *Property implications*

There are no direct property implications arising from this report.

4. **Background Papers**

None