

REPORT OF GENERAL PURPOSES AND LICENSING COMMITTEE

(Meeting held 3 April 2009)

1. A REVIEW OF ORGANISATIONAL CHANGE POLICIES AND PROCEDURES (REPORT A)

The Committee has considered a review of the Council's current organisational change policies and a proposed policy on early retirement on the grounds of redundancy.

In its deliberations, the Committee acknowledged the need for the establishment of a flexible organisational structure that was responsive to the changing needs of the Council. Where changes are made, it is hoped that wherever possible, reductions in the number of employees will be achieved through natural wastage caused by retirement or resignations.

In order to mitigate the impact of the recession, the Executive Management Team implemented the new vacancy management system. Where vacancies arise, the Recruiting Manager now has to complete a business case for approval by the Head of Service and the Executive Management Team. A business case will also be needed where there is a request to extend employment beyond the age of 65.

The Committee is mindful that where work loads reduced due to market conditions, practical steps should be taken to avoid redundancies. The Council would facilitate redeployment through the Council's 'At Risk' Register and retraining if necessary. The Council will do all it reasonably could to provide job security. Redundancies will only be progressed as a last resort.

The Council agreed the new flexible retirement policy in July 2008 which took effect from 1 August 2008.

The Local Government Pension Scheme (LGPS) Regulations entitle an employee aged at least 55 (or aged 50 if they joined the Scheme before 1 April 2008 and retire before 1 April 2010) to the immediate payment of benefits if they were retired on grounds of redundancy; or in the interests of efficiency of the service; or if they retired voluntarily before age 60 and the employer consented to immediate payment of benefits.

The LGPS Regulations also permits an employer to augment an employee's period of LGPS membership at any age, which increases their benefits at retirement. This power could be used to 'top up' service, by up to 10 years, or to age 65 if that is less, provided that the employer made further payments into the fund. The Committee recognises that such retirements could place a strain on the pension fund, and the Council would have to make additional payments into the fund.

The Committee therefore considered proposals to vary the existing early retirement policies as detailed in Report A to the Committee. The most significant change to the policy is regarding the removal of augmentation to an employees LGPS membership.

The Committee were keen to ensure that staff approaching the age of 65 continued to have the ability to request working past the age of 65. The manager would need to go through and present a business case for the employee to continue working for the authority. The business case would take into account whether or not the Council was able to recruit someone under 65 with the right skills and abilities to perform the role. Only in exceptional circumstances would employment continue past age 65.

The Committee, on balance, feels that the Council should have greater flexibility in managing its organisational and staffing arrangements during this difficult and uncertain economic time. Nonetheless, the Committee also expresses the view that the Council should do all it reasonably can to provide job security. Redundancies will only be progressed as a last resort.

RECOMMENDED:

That the Council agree that:-

- (a) The organisational change policy as detailed in Report A to the Committee (effective from 1 May 2009) be approved;***
- (b) The proposed early retirement/redundancy policy (to be applied to all business cases signed and agreed from 1 July 2009) as be approved;
and***
- (c) The amendments to the existing delegations as set out in Appendix 1 be approved.***

**Councillor L R Puttock
CHAIRMAN**

DELEGATIONS TO OFFICERS DIRECT FROM COUNCIL

No.	Source	Power Delegated	Delegation To	Minute Ref
16	Local Government Pension Scheme Regulations 1997	To approve redundancies and terminations of employment in the interest of the efficiency of the service for all officers except the Chief Executive, Executive Directors, Monitoring Officer and S.151 Financial Officer (Note: this includes the officers held on the list of officers who are not to be deemed as non-Statutory chief officers) subject to a business case <i>involving payback within 3 years, unless the Chief Executive in consultation with the Leader of the Council and the Finance and Efficiency Portfolio Holder and other relevant portfolio holder(s) agree otherwise.</i>	Chief Executive, or Executive Director, in consultation with Head of Human Resource, and Employees' Side representatives (subject to prior notification to the Leader of the Council for Officers at Deputy Chief Officer and above under Standing Orders for general procedures)	Council 75. of 22/04/02 Council 22. of 21/07/08
17	Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000	To approve the early payment of pensions benefits for redundancies and terminations of employment in the interest of the efficiency of the service for all officers except the Chief Executive, Executive Directors, Monitoring Officer and S.151 Financial Officer (Note: this includes the officers held on the list of officers who are not to be deemed as non-Statutory chief officers) subject to a business case	Chief Executive, or Executive Director, in consultation with Head of Human Resource, and Employees' Side representatives	Council 75. of 22/04/02 Council 22. of 21/07/08

		<i>involving payback within 3 years, unless the Chief Executive in consultation with the Leader of the Council and the Finance and Efficiency Portfolio Holder and other relevant portfolio holder(s) agree otherwise.</i>		
18	Local Government Pension Scheme Regulations 1997	To grant existing employees extra periods of membership of the Local Government Pension Scheme subject to a full business case	Executive Director, in consultation with Head of Human Resources	Council 75. Of 22/04/02
19	Local Government Pension Scheme Regulations 1997	To extend the periods within which a manual worker who returns to Local Government under the terms of Regulation 14 (3) (b) can opt to retain the right to pay contributions at 5%	Executive Director, in consultation with Head of Human Resources	Council 75. Of 22/04/02

Propose additional text is shown *in bold italics*

Proposed deletions are shown struck through.