

Shadow Dorset Council

Date of Meeting	Thursday 21 March 2019
Lead Members	Cllr Peter Wharf – HR & Workforce lead
Officer	Matt Prosser, Chief Executive (Designate)
Subject of Report	Redundancy Positions as a result of Local Government Reorganisation (LGR) in Dorset
Executive Summary	<p>Following the submission of the Future Dorset submission to Government in February 2017 and receiving confirmation in March 2018 from the Secretary of State for Local Government that the submission had been accepted, the nine councils in Dorset have been working towards the development of two new Unitary Councils to be created on 1 April 2019, known as ‘Vesting Day’.</p> <p>In the Dorset Council area this will result in six predecessor councils (East Dorset District Council, North Dorset District Council, Purbeck District Council, West Dorset District Council, Weymouth & Portland Borough Council and Dorset County Council), being dissolved on 31 March 2019 to make way for the new council.</p> <p>The Shadow Executive Committee (SEC) recommended that the new Senior Leadership Team structure was formed (September 2018). Following the member appointments panels considering the national recruitment exercise a new Senior Leadership Team was appointed, including four Executive Directors, one Corporate Director and the (Interim) Director of Public Health – a shared post with Bournemouth, Christchurch and Poole Council (BCP).</p> <p>In the current six predecessor councils there are 23 posts at the “first and second” tiers of the councils* – Dorset Council will have seven posts, including the shared Director of Public Health with Bournemouth, Christchurch and Poole (BCP Council), a net reduction of 16 posts. *This does not include two Strategic Directors of East Dorset & Christchurch Council who will TUPE transfer to BCP.</p> <p>Some of these post holders may secure posts in the new Dorset Council in other roles within the structure, however, an inevitability of the submission to government is a need to reduce the management overhead and related support services functions in order that front-line service investment can be prioritised. This was reflected in the budget setting process for 2019/20.</p> <p>As a result the SEC agreed to a Voluntary Release programme for those whose posts are at risk, from the LGR process. This enables the organisation to allow someone at risk to leave, on an agreed date, with</p>

	<p>access to contractual redundancy payments. In addition, subject to the individual circumstances, some of those made redundant will be able to access their local government pension early, in line with the scheme rules, set by Government.</p> <p>Early access to pension benefits can cause an element of 'strain' on the pension fund. The Council is required in such circumstances to make a payment into the pension fund, recognising that the individual will no longer be paying into the pension fund and will be drawing on their pension. Anyone accessing their pension early, under redundancy, will receive a non-actuarially reduced payment in line with the scheme rules and the number of years they have paid into the pension.</p> <p>The financial position of the new Council was set out in the recently agreed budget report on 20 February 2019, showing an additional £9.72m invested in a range of front-line services, whilst also setting out the reduction in management and support services cost of £5.22m in 19/20 and a full year impact of £10m in 20/21.</p> <p>This report sets out proposals in respect of those Chief and Deputy Chief Officers who are either:</p> <ol style="list-style-type: none">1. redundant as a result of their statutory position being removed by virtue of the LGR process or2. have requested voluntary redundancy in line with the SEC's voluntary release scheme. <p>These senior postholders can only be made redundant by an elected member committee. Under the terms of the agreed constitution an appointments and dismissals committee was established and agreed by the Full Shadow Council at its meeting on 20th February 2019.</p> <p>The Local Government (Structural Changes) (General) (Amendment) Regulations 2018 came into force on 5th September 2018. Independent legal advice has confirmed to the Dorset Monitoring Officers (Legal Officers) that the effect of the regulations, coupled with regulations made in 2008, is that all employees of the predecessor councils are entitled to transfer their employment (on their existing terms and conditions) to the new Dorset Council. This entitlement includes the heads of paid service and other Chief and Deputy Chief officers of the predecessor councils.</p> <p>Some Chief and Deputy Chief Officers have already agreed with their employing council to be made redundant from that council prior to 1 April 2019 and they will not therefore TUPE transfer to Dorset Council.</p> <p>Other predecessor council Chief and Deputy Chief Officers have though decided to transfer to Dorset Council, as they are entitled to under the Regulations. This report addresses the position of these transferring officers and sets out proposed terms for their redundancy from Dorset Council.</p> <p>If the committee agrees to the requests shown in the confidential appendices:</p> <p>Nine Chief and Deputy Chief Officers will leave the organisation between early April and the end of September, this recognises that some will be working beyond the beginning of April to help the transition to the new council, whilst others will leave earlier in the process, by agreement.</p>
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Page 3 – Redundancy Positions as a result of Local Government Reorganisation
 Redundancies as a result of Local Government Reorganisation

	<p>The collective contractual redundancy payment is £756,291.</p> <p>The pension 'strain' payment in line with scheme rules is £1,086,506</p> <p>The total annual saving from removing the nine posts (including any on-costs) is £1,072,096</p> <p>The pay-back period is: 20 Months.</p>
<p>Impact Assessment:</p>	<p>Equalities Impact Assessment:</p> <p>An equalities impact assessment has been carried out on the Transitional Structures, and will be completed at the end of the consultation process (18 March 2019). Redundancy is an entitlement in circumstances where the new Council is unable to make an offer of suitable alternative employment as per the structural changes order.</p> <p>Use of Evidence:</p> <p>This report sets out the legal entitlements of those senior officers whose roles are considered redundant as a result of reorganisation. The individual implications are set out in confidential appendices and the combined position is described in the body of the open report.</p> <p>Budget:</p> <p>The budget for handling the contractual redundancy payments and any 'strain' on the pension, is included in LGR implementation budget.</p> <p>Risk Assessment:</p> <p>Having considered the risks associated with this decision using the LGR approved risk management methodology, the level of risk has been identified as: Current Risk: MEDIUM Residual Risk: LOW</p> <p>Other Implications:</p> <p>When restructuring any organisation the amount of corporate knowledge that leaves can be critical. Each of the individuals leaving the organisation has been part of preparing hand-over notes with their successor service area.</p>
<p>Recommendation</p>	<p>That the Appointments & Dismissals Committee agrees :</p> <ol style="list-style-type: none"> 1. To the redundancy of each of the Chief or Deputy Chief Officers identified in the confidential appendices A to I, on the terms set out, including as to notice. 2. That the Chief Executive be given delegated authority in consultation with the Corporate Director – Legal & Democratic (MO) and Executive Director – Corporate Development (S151) to enter into individual settlement agreements in accordance with the confidential appendices, recognising the individual circumstances of each redundancy.

Page 4 – Redundancy Positions as a result of Local Government Reorganisation
 Redundancies as a result of Local Government Reorganisation

	<p>3. That the Executive Director (Corporate Development & S151) is given delegated authority to finalise any contractual payments relating to outstanding leave entitlement as part of the agreements.</p>
Reason for Recommendation	<p>To provide both the Council and officers leaving the organisation, as a result of Local Government Reorganisation (LGR), with certainty to be able to plan for their exit and any handover in a timely manner.</p> <p>To recognise the unique circumstances created by LGR and the need to agree the individual terms of the officers exit from the council.</p>
Appendices	Confidential Appendices A to I
Background Papers	None.
Officer Contact	<p>Name: Matt Prosser, Chief Executive & Head of Paid Service Tel: 01305 252201 Email: matt.prosser@dorsetcouncil.gov.uk</p>
Date agreed by Lead Member	Cllr Peter Wharf – 12.3.19
Date agreed by Statutory Officers	<p>Matt Prosser – Chief Executive (Designate) 12.3.19 Jonathan Mair – Corporate Director – Legal & Democratic (MO) 13.3.19 Aidan Dunn – Executive Director – Corporate Development (S151 Designate) 13.3.19</p>