

COMMITTEE:	CABINET
DATE:	OCTOBER 2003
SUBJECT:	DISCRETIONS AFFECTING EARLY TERMINATION OF EMPLOYMENT IN EASTBOURNE BOROUGH COUNCIL
REPORT OF:	HEAD OF PERSONNEL
Ward(s):	All
Purpose:	To review the policy adopted in September 2000. To seek commitment to a revised policy and procedure for Eastbourne Borough Council.
Contact:	Caroline Freeman, Head of Personnel. Telephone 01323 415106 or internally on extension 5106
Recommendations:	That the revised policy and guidance in the appendices be adopted by Eastbourne Borough Council with immediate effect.

1.0	<u>Background</u>
1.1	<p>Reflecting our commitment to continuous improvement in our approach to Retirement and redundancy issues in Eastbourne Borough Council, we commenced a review of our practice in early 2003. These actions have been driven by our corporate commitment to refining core services and our stated values:</p> <ul style="list-style-type: none"> · Make the most efficient and effective use of public resources · Conduct our business with integrity

1.2	<p>In approaching these issues, we have looked at both pension/retirement issues and payments on redundancy. We remain mindful of our commitment to retaining workers in employment until the national retirement age and reaffirm our adherence to the terms of the Alternative Employment procedure in all relevant circumstances. However, we recognise, too, that situations occur where the issue of severance payments arises and we wish to ensure that our actions are as fair, open and objective as possible.</p>
1.3	<p>The revised Discretions are identified in three distinct areas:</p> <ul style="list-style-type: none"> · Incremental table of potential payments · Linking of these to such criteria as length of service and age (similar to criteria used in statutory redundancy employment legislation) · Further consideration by Council Member panel of factors likely to affect individual's ability securing alternative employment
2.0	<p><u>Discretions: Table of potential payments</u></p>
2.1	<p>The proposed revised policy is attached as Appendix A. At Appendix B is the illustrative Table of Severance Provision and Reference notes for use by a Council Member Panel.</p>
2.2	<p>The changes to the policy are highlighted in large font and the key differences may be summarised as follows:</p> <p>Under A1: A minimum continuous service period is introduced before the enhanced severance provision will apply</p> <p>Under A4 & 52: The Table of Severance Provision is introduced, defining graduated potential payments linked to several distinct criteria.</p>

2.3	This table defines clearly Eastbourne Borough Council's overall approach to severance payments and supports Council work to manage its resources more effectively. In the absence of a developed mechanism, the Council's practice had been to award maximum payments in cases of redundancy. This revised approach tightens the procedures and demonstrates increased prudence in management of public monies.
3.0	<u>Consultations</u>
3.1	<p>Professional & Legislative</p> <p>The attached revisions have been drawn up in consultation with the Council's External Auditor. In addition, East Sussex County Council, as our Pension scheme advisers have commented on the documentation.</p>
3.2	<p>Trade Union</p> <p>Both local and regional UNISON consultations have taken place.</p>

4.0	<u>Implications</u>
4.1	<p>Human Resource</p> <p>At times of uncertainty it is important for individuals to have as much information about the processes they find themselves in and the potential implications of decisions around their future employment.</p> <p>In forming the attached policy documentation and Table, we give a clear indication of the parameters which will be used, should a worst case scenario arise and people find themselves facing redundancy and/or early retirement.</p>

4.2	<p>Financial</p> <p>Redundancies or early retirements arise in Eastbourne Borough Council only where we have effected changes to the structure of the organisation or the means of delivering our services. We remain committed to the use of our Alternative Employment procedure and work actively to secure a viable redeployment for those displaced.</p> <p>The content of the policy and Table are designed to facilitate targeting of severance payments. This will ensure that we make best use of our own financial resources and minimise the impact on the Pension scheme itself. The overall effect of the new policy will not increase any expenditure by the Council and may result in smaller payments in appropriate circumstances.</p>
4.3	<p>Constitution</p> <p>As required by the new constitution (Part 3, Full Council and its Committees – Page 11), these decisions must be considered by a delegated Panel of Council Members.</p>
5.0	<p><u>Recommendation</u></p> <p>That the revised policy and associated Table and Reference Notes be endorsed by Cabinet.</p>
<p>Caroline Freeman</p> <p>Head of Personnel</p>	

Background Papers:

The Background Papers used in compiling this report were as follows:

Audit Commission paper: Retiring Nature

Audit Commission report: Retirement - People Management for Modern Local Government

Eastbourne Borough Council Personnel Standards

Eastbourne Borough Council Constitution

To inspect or obtain copies of background papers please refer to the contact officer listed above.