

## **Personnel Committee**

### **Minutes of the meeting held on Wednesday, 11 November 2020**

**Councillors:** Akbar, Bridges, Craig, Leech, N Murphy, Rahman, Richards, Sheikh and Stogia

**Apologies:** Councillor Ollerhead

**Also present:** Councillor Sharif-Mahamed

#### **PE/20/20 Appointment of Chair**

In the absence of the Chair Councillor Bridges was appointed to chair the meeting.

#### **Decision**

To appoint Councillor Bridges as Chair for the meeting.

#### **PE/20/21 Minutes**

#### **Decision**

To approve the minutes of the meeting held on 28 October 2020 as a correct record.

#### **PE/20/22 Efficiency Early Release Scheme**

The Committee considered a report of the Deputy Chief Executive and City Treasurer and the Director of Human Resources and Organisation Development which presented proposals for the application of an Efficiency Early Release Scheme (comprising Efficiency Severance and Early Retirement). The Committee was asked to agree the adoption of the Scheme. The proposal had been developed to achieve a targeted reduction in workforce numbers to support the delivery of planned changes to the organisation over the coming two years and deliver associated efficiencies. A reduction of c200 fte staff had been proposed through officer budget options as a result of the significant financial impact that the Coronavirus pandemic had had on the organisation, with a reported a budget gap of £105m for 2021/22, rising to nearly £160m in the following financial year. Existing policies on voluntary severance and early retirement were set out in the report alongside skill base considerations and the impact on business continuity / long-term priorities of the organisation.

The Deputy Chief Executive and City Treasurer explained the context, operation and timeline of the approach of the Scheme as well as the added complexities brought about by the impact of the Local Government exit pay cap. The Chair stressed the importance of transparency and clear communications from the outset with staff who expressed an interest in the Scheme about the requirements of the decision-making process.

There was a discussion about the targeted approach to redundancies. The Committee sought assurances that the approach would take into consideration the organisation's equality and diversity objectives. The Deputy Chief Executive and City Treasurer advised that an Equality Impact Assessment was being conducted on the Scheme itself to provide reassurance that the Scheme's decision-making outcomes were fair, transparent and equitable and any unintended consequences were avoided.

Comments from the Trades Union (UNISON) were noted. Mindful of the organisation's current financial circumstances, and the steps taken to ensure parity, the Committee welcomed the enhanced Scheme and endorsed recommendations.

### **Decision**

1. To confirm that the Council's policy on Voluntary Early Release, as set out in the Severance and Early Retirement (Efficiency) Policy Statement be amended by increasing the maximum discretionary lump sum payment from a maximum of 30 weeks' pay to a maximum of 36 weeks' pay for individuals leaving the organisation in support of the delivery of the 2021/22 and 2022/23 budgets. Applications received under the enhanced scheme will be given consideration under these arrangements with the intention of supporting the release of staff prior to or early in the 2021/22 financial year.
2. To confirm that such an amendment is workable, affordable and reasonable having regard to the foreseeable costs.
3. Subject to the approval of Council to release the reserves required to implement this proposal, to confirm that the Deputy Chief Executive and City Treasurer, in consultation with the Director of HROD and the Executive Member with responsibility for Human Resources, may release staff who make such applications subject to the criteria set out in the report.
4. To recommend that 25 November 2020 Council formally confirm release of funds from reserves where appropriate to fund agreed releases.

### **PE/20/23 Exit Pay Cap**

The Committee considered a report of the Director of Human Resources and Organisational Development which set out the recently enacted exit pay cap which established an overall cap on a range of public sector bodies including local authority exit payments. The cap had been set at a maximum of £95,000 and became law on 4 November 2020. Further regulations which were subject to consultation via the Ministry of Housing, Communities and Local Government (MHCLG) had closed on 9 November 2020. The combined effect of both the exit regulations and the consultation regulations that relate to changes within the Local Government Pension Scheme Regulations were to limit the value of public sector exit packages.

The report described a distinct level of concern around the process, drafting, and substantive legality of the regulations which had resulted in several challenges to Government from a variety of different organisations, Manchester City Council

included. A copy of the organisation's representation to Government was appended to the report.

The Director of Human Resources and Organisation Development expanded on the challenges that are associated with the cap. In essence, this was described as a contradiction that existed across the two sets of regulations with regard to the impact of arising early retirement pensions costs. This, it was argued was unworkable and would serve to impact disproportionately on a large proportion of long serving local authority employees.

The Committee acknowledged the need for fairness and consistency in the approach to exit pay and, noting the comments from the Trades Union (UNISON) welcomed the organisations representation to Government.

### **Decision**

1. To note the representations made to Government in response to the implementation of the exit pay cap and the MHCLG proposals for reforms to local government exit pay.
2. To give the Committee's support to representations made by the Council in response to the MHCLG consultation.