


SURREY

People, Performance and Development Committee
22 March 2017

Severance and Change Management Policies

Purpose of the report:

Proposed amendments to Human Resources policies are brought to the People, Performance, and Development Committee for consideration, as the Committee is the body that determines policy on the terms and conditions of employment for all Surrey County Council staff. The Committee is asked to consider and approve the substitution of Council's Safer Staffing Policy with the proposed Severance and Change Management Policies.

Recommendations:

It is recommended that: the People, Performance and Development Committee agrees:

- i. the proposed revisions to Surrey County Council's Severance Policy; and
- ii. the proposed revisions to Surrey County Council's Change Management Policy.

Introduction:

A review/update of the Severance and Change Management policies has been carried out and is being submitted for consideration and approval. The People, Performance and Development Committee (PPDC) may wish to note that the policy documents are in the process of being finalised; some changes may need to be made to wording and presentation before final versions are published.

An original copy of the policies showing 'tracked changes' has not been included with the report as it was felt it would be difficult to read. As well as additions, deletions and amendments to the wording, there are also quite a few places where the sections have moved location. For these reasons the main changes and additions have been referred to in the report itself and the final revised policies are attached as Annex 1 and Annex 2 to this report.

Review of the Severance Policy

1. Employees can now choose to retire from the age of 55 and access their pension without approval (although the amount of their pension may be subject to a reduction in order to take account of the early payment). This regulatory change necessitates an amendment to Surrey County Council's Severance Policy.
2. There is also a requirement to update the Severance Policy to be consistent with the Policy on Employer Discretions related to the Local Government Pension Scheme as regards the facility for making additional payments/actuarial adjustments for compassionate reasons.
3. The revised Severance Policy also includes a modification to arrangements for redundancy compensation applying to employees on fixed-term contracts. This revision is taking place in order to ensure that the entitlement that applies to fixed-term employees mirrors that of permanent staff.

Review of the Change Management Policy

4. The revised Change Management Policy contains additional detail, definitions and procedural guidance on a number of aspects relating to change management. This includes a change of the parameters for what the Council considers to amount to 'suitable alternative employment' for the purposes of redeployment as an alternative to redundancy.
5. More specifically, the current policy only allows redeployment to posts with a salary within 10% of the one being made redundant. The proposed amendment allows for more flexibility as it stipulates a requirement for the salary/grade difference to be 'reasonable'.

Financial and value for money implications

6. The proposed harmonisation of redundancy pay entitlement between fixed-term and permanent employees will increase the redundancy costs associated with the non-renewal of fixed-term contracts. However, the overall financial impact is expected to be marginal as employees with less than two years' service are not entitled to redundancy compensation and the Council proactively seeks to minimise redundancy costs through redeployment.

Equalities Implications

7. The harmonisation of entitlement to redundancy compensation between fixed-term and permanent employees is expected to have a positive impact from an equalities perspective.

Risk Management Implications

8. The harmonisation of entitlement to redundancy compensation between fixed-term and permanent employees minimises legal and reputational risks around any, perceived or actual, less favourable treatment of employees on fixed-term contracts.

Next steps

Subject to approval from PPDC the Council will publish these revised policies on S Net and communicate the changes to managers.

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Annexes:

Annex 1 – Surrey County Council Severance Policy

Annex 2 – Surrey County Council Change Management Policy

Sources/background papers:

None

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