



Belfast City Council

Report to:	Strategic Policy and Resources Committee
Subject:	Voluntary Redundancy (VR) Exercise
Date:	21 January 2011
Reporting Officer:	Julie Thompson, Director of Finances & Resources
Contact Officer:	Jill Minne, Head of Human Resources

Relevant Background Information

As part of their planning and budgeting process for 2011/12 departments indicated there may be areas of their workforce which could be downsized as a result of structural improvements, downturn in workload and/or ongoing revenue losses.

Consequently, the SP&R Committee gave approval on 22 October 2010 to secure a proportion of the 2010/11 under spend to fund potential voluntary redundancies (VR) this financial year.

It was agreed that specific proposals in relation to potential voluntary redundancies in targeted areas such as Finance & Resources, Parks & Leisure Services and Facilities Management would be developed with a view to bringing these back to standing committees / Strategic Policy and Resources Committee for approval.

It was also agreed that that any such proposals would meet the previously agreed principles and criteria in relation to releasing members of staff on a VR basis, namely: the decision to release anyone on VR is dependent on the needs of the council and we retain the right to decide whether or not to accept an employee's application for VR in accordance with the following BCC principles:

- Prioritisation of VR requests will be based on available finance and the level of savings which may be delivered
- The VR will avoid the need for compulsory redundancy
- The need to ensure that essential skills and expertise are maintained
- All other relevant options have been considered.
- Any changes to structures will be conducted and implemented in accordance with HR policies and procedures and the Council's Trade Unions will be fully consulted and agreement sought in relation to all releases

Key Issues

Departments have now identified those posts which can be deleted through voluntary redundancy with no detrimental impact on the management of the service. The proposed voluntary redundancies are as follows:

Finance and Resources – Two Secretarial Assistant posts, following reorganisation of existing posts within the department.

Facilities Management – Two posts (one Working Trades Foreman and one Painter) as a result of an ongoing downturn in work which is likely to continue for the foreseeable future

Parks and Leisure Services – Six posts of Team Leader in Parks as a result of restructuring previously agreed by committee in October 2010. Three posts in Leisure (one Leisure Centre Manager and two Assistant Leisure Centre Managers) as a result of ongoing restructuring (agreed at Parks and Leisure Committee in January 2011).

Each of the 13 applications for VR meet the agreed best practice individual payback period (3.25 years) with the overall Council payback period being 2.11 years. Any changes to structures as a result of the voluntary redundancies will be implemented in accordance with BCC HR policies and procedures and consultation with Trade Unions.

Appendix One sets out details of costs and savings, but in summary the one off cost to the Council of releasing the aforementioned staff is £707,192. It is estimated that this initial cost will lead to net staff savings of £335,944 each and every year after making the structural changes needed to facilitate their release.

Members will recall that the October 2010 Strategic Policy and Resources Committee agreed to set aside some £1.2m to fund the one off costs of voluntary redundancy in 2010/11, with the expectation that some £600k of ongoing savings would be achieved from 2011/12 onwards.

However, given the lower than expected take up of voluntary redundancy, the one off costs in 2010/11 are actually some £500k lower than anticipated. This £500k will therefore be available for consideration, along with the remaining 2010/11 forecast financial position as part of the “Financial Report – Quarter 3 2010/11” in February 2011. In turn, the actual savings from VR are some £264k lower than originally anticipated. However this gap has been addressed by departments as part of the rates setting exercise for 2011/12, so that the planned total efficiency savings of £2.9m will still be achieved and these have been factored into the Departmental committee cash limits.

Resource Implications

Financial: The one off cost to the Council of the proposed VRs is £707,192 resulting in savings of £335,944 each year.

Human Resources: Any changes to structures as a result of the voluntary redundancies will be implemented in accordance with BCC HR policies and procedures and consultation with Trade Unions.

Recommendations

Members are asked to agree to the voluntary redundancy release of the 7 members of staff (the 6 Team leaders in Parks have already been agreed) with the financial implications set out above.

Decision Tracking

Responsible officer – Director of Finance & Resources

Key to Abbreviations

VR – Voluntary Redundancy

Documents Attached

Appendix one – details of proposed VRs.

APPENDIX 1

Department	Service	Posts to be deleted	No. of posts to be deleted	Redundancy Costs	Annual Gross Savings	Potential restructuring costs	Net Annual Savings	Payback period (years)
Finance and Resources	HR and Directorate	Secretarial Assistant – Scale 6	2	£ 86,540	£ 58,750	0	£ 58,750	1.47
Parks & Leisure	Leisure Services	Leisure Centre Manager – PO3 Assistant Leisure Centre Manager – SO2	1 2	£242,891	£140,485	£32,594	£107,891	2.25
Parks & Leisure (already agreed)	Parks and Cemeteries	Team Leader – Scale 5	6	£248,098	£159,952	£62,000	£ 97,952	2.53
Property & Projects	Facilities Management	Working Trade Foreman – SO2 Painter – Scale 5	1 1	£129,663	£ 71,351	0	£ 71,351	1.82
BCC TOTAL			13	£707,192	£430,538	£94,594	£335,944	2.11