

SUBJECT:	Proposed Allocation of Enterprise Redundancy costs to Reserves
MEETING:	Cabinet
DATE:	2nd March 2016
DIVISION/WARDS AFFECTED:	All

1. PURPOSE:

To request member approval to use reserve funding to meet redundancy costs incurred by the Enterprise Directorate in 15/16.

2. RECOMMENDATIONS:

- 2.1** That Cabinet agrees to recommend to Full Council that the redundancy costs incurred in 2015/16 by the Enterprise Directorate are funded through Council reserves.

3. KEY ISSUES:

- 3.1** Significant redundancy costs were incurred by the Enterprise Directorate in 15/16 primarily to meet the £250,000 recurring revenue saving from the creation of the hubs and re-align the Community Learning expenditure in line with reducing Coleg Gwent Franchise funding. In addition a post was removed from the Tourism, Leisure & Culture Service. The breakdown of the redundancy costs are broken down below:

Team	Number of Staff	Cost
Estates	2	41,655
Community Education	13	96,316
Community Hubs	23	328,387
Whole Place	1	31,392
Leisure Sites	1	18,081
	40	515,831

3.2 In addition a further 4 posts will be lost in Abergavenny One Stop Shop and Libraries at a cost of £57,866 to accommodate the additional £50,000 budget mandate.

3.3 The Services involved are not in a position to meet the costs of the redundancies from their revenue budgets, therefore we are requesting that the total cost of the redundancies amounting to £573,697 is met by reserves.

4. REASONS:

4.1 The redundancies have arisen out of reports agreed by Cabinet entitled Building the establishment and capacity for Enterprise (5th November 2014), Implementation of Community Hubs and Contact Centre (4th March 2015) and Implementation of the re-structure of the Community Learning department (July 2015).

4.2 The redundancies incurred are a mix of voluntary and compulsory redundancies and will enable the services to meet budget savings of £300,000 through the creation of community hubs, £216,000 reduction in staff costs in Community Learning and £25,000 saving in Leisure. The loss of the two posts in Estates has enabled the creation of a dedicated Cemeteries Officer and a Markets and Facilities Officer with overall oversight of Abergavenny Town Hall.

4.3 The Cabinet reports highlighted in 4.1 identified that there would be redundancy costs, however these were unknown at the start of the various processes as the costs are unique to the individuals concerned. Given that service areas budgets have been reduced to reflect budget mandate targets they do not have the capacity to meet the budget savings and the redundancy costs.

5. RESOURCE IMPLICATIONS:

5.1 The redundancy costs which have or will be incurred in implementing staffing re-structures to meet budget mandates and or reducing income is £580,698. The annual recurring saving as a result of this one off cost is £541,000.

6. FUTURE GENERATIONS AND EQUALITY IMPLICATIONS:

6.1 This report seeks approval for the allocation of reserve funding to meet redundancy costs incurred by the Enterprise Directorate on the basis of previously agreed Cabinet reports with associated equality impact

assessments. This report has no impact upon any services as such a Future Generations Evaluation is not considered necessary for this report.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS

There are no safeguarding implications associated with this report

8. CONSULTEES:

SLT
Cabinet Members

9. BACKGROUND PAPERS:

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10. AUTHORS:

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