

SUBJECT: EARLY DEPARTURES 2015/16

MEETING: Audit Committee

DATE: 15th December 2016

DIVISION/WARDS AFFECTED: Countywide

1. PURPOSE:

- 1.1 To provide Audit Committee members with supplementary information on early departures.

2. RECOMMENDATIONS:

- 2.1 That Audit Committee receive supplementary information on early departures for the year ended 31st March 2016.

3. KEY ISSUES:

- 3.1 Audit Committee members have previously requested that further information relating to early departures be provided on an annual basis to supplement information contained within the Authority's annual accounts.
- 3.3 At its September meeting the Audit Committee received the Authority's 2015/16 Annual Accounts which contained disclosures around termination benefits, which result from early departures, and exit packages. For ease of reference these have been reproduced and are contained in appendix 1.
- 3.4 Early departures principally arise as a result of redundancies taking place. A redundancy will only occur if an employee has been unsuccessful in being redeployed in line with the Protection of Employment policy. The majority of redundancies take place as a result of restructurings taking place, either through compulsory redundancies or where staff have offered to take redundancy as part of a restructuring. Other reasons for redundancies would be where grant funding ceases or where a temporary or fixed term contract comes to an end. In exceptional circumstances the Authority will look to terminate employment through a settlement agreement being negotiated.
- 3.5 In order to put these disclosures into context an analysis has been undertaken such as to provide Audit Committee members with further information. Table 1 below provides a summary of the early departures that took place in 2015-16 by directorate and grade.

Table 1: Early departures by Directorate and Grade

	Count
CHILDREN AND YOUNG PEOPLE	
0-4999	8
5000-9999	2
10000-14999	8
15000-19999	9
20000-24999	1
30000-39999	11
50000-59999	2
60000-69999	2
CHILDREN AND YOUNG PEOPLE Total	43
ENTERPRISE	
5000-9999	1
30000-39999	1
ENTERPRISE Total	2
LEADERSHIP SUPPORT UNIT	
0-4999	3
5000-9999	6
10000-14999	9
15000-19999	7
20000-24999	10
25000-29999	2
30000-39999	4
40000-49999	1
LEADERSHIP SUPPORT UNIT Total	42
OPERATIONS	
0-4999	2
10000-14999	2
20000-24999	1
25000-29999	2
30000-39999	1
OPERATIONS Total	8
RESOURCES	
25000-29999	1
RESOURCES Total	1
SOCIAL CARE and HEALTH	
10000-14999	1
15000-19999	1
20000-24999	1
SOCIAL CARE and HEALTH Total	3
Grand Total	99

3.6 Further to table 1 the proportion of employees affected by redundancies by both Grade and Salary Band are shown below:

Table 2: Early Departures by Grade

Row Labels	Count of Employee Number	Numbers in Grade	Proportion %
Band A scp 5-9	2	170	1.18
Band B scp 9 -13	9	543	1.66
Band C scp 13 -17	13	501	2.59
Band D scp 17-21	22	942	2.34
Band E scp 21-25	14	413	3.39
Band F scp 25-29	8	297	2.69
Band G scp 29-33	2	99	2.02
Band H scp 33-37	8	82	9.76
Band I scp 37-41	4	175	2.29
Band J scp 41-45	1	83	1.20
Band K scp 45-49	0	50	0.00
Band L scp 49-53	0	23	0.00
Band M scp 53-57	1	4	25.00
Chief Officer	0	19	0.00
UNQUALIFIED Teacher	0	6	0.00
TEACHERS MAIN PAY SPINE *	0	288	0.00
TEACHERS UPPER PAY SPINE *	11	381	2.89
ASSISTANT HEAD TEACHER**	1	19	5.26
DEPUTY HEAD TEACHER **	1	36	2.78
HEADTEACHER **	1	32	3.13
SOULBURY *	1	7	14.29
Grand Total	99	4170	2.37

Note:

* Teacher and Soulbury grades are appointed on a range of salary points within the listed pay spine.

** The numbers shown are the total number of employees classed as Assistant, Deputy or Head Teacher each is appointed within a range of points dependent on a range of factors such as school size, number of pupils on role

Table 3: Early departures by salary band

Row Labels	Count of Employee Number	Numbers in Grade	Proportion %
0-4999	13	349	3.72
5000-9999	9	410	2.20
10000-14999	20	482	4.15
15000-19999	17	1246	1.36
20000-24999	13	518	2.51
25000-29999	5	284	1.76

30000-34999	6	181	3.31
35000-39999	11	454	2.42
40000-44999	0	45	0.00
45000-49999	1	47	2.13
50000-54999	1	24	4.17
55000-59999	1	16	6.25
60000-64999	0	13	0.00
65000-69999	2	8	25.00
70000-74999	0	7	0.00
75000-79999	0	3	0.00
80000-84999	0	4	0.00
85000-89999	0	2	0.00
90000-94999	0	0	0.00
95000-99999	0	1	0.00
100000-104999	0	1	0.00
105000-110000	0	0	0.00
110000+	0	1	0.00
Grand Total	99	4096	2.42

Note:

The difference in the totals in Tables 2 and 3 refer to the fact that we have employees with more than one post e.g. one post being Band A, another being Band C, with respective salary ranges of 0-4999 and 5000-9999.

3.7 The gender breakdown for the 99 early departures was 20 males and 79 females. Further information is contained in appendix 2.

3.8 Members will be aware that all restructures would have been reported to Cabinet for approval.

4. REASONS:

4.1 To provide Audit Committee members with up to date information on early departures.

5. RESOURCE IMPLICATIONS:

5.1 There are no resource implications directly arising as a result of this report. However, as reported in the 2015-16 annual accounts, the total cost of exit packages amounted to £1,691,000 (£1,796,000 in 2014-15). This includes enhancements relating to pension strain costs amounting to £416,000 (£595,000 in 2014-15) though this will be paid to the pension fund over a 5 year period. It also includes payments made by way of settlement agreement to terminate employment of £90,000 (£56,000 in 2014-15).

5.2 The significant level of redundancy costs are a direct consequence of the significant changes resulting from the reshaping of services required to allow the Authority to manage within a reduced funding environment.

- 5.3 A review of earmarked reserves was approved by Cabinet in July 2016. As reserves have been depleted in recent years and to ensure that earmarked reserves remain adequate for the Medium Term Financial Plan there is a need for increased workforce planning and redeployment to reduce the need for reserves to cover redundancies.
- 5.4 The protocol for the management and control of the Redundancy and Pension earmarked reserve requires a business case for changes to posts/structures which leads to associated redundancy or pension strain costs. Business cases need to demonstrate ongoing saving as a result, to be paid for if possible from savings arising from the restructure.

6. SUSTAINABLE DEVELOPMENT AND EQUALITY IMPLICATIONS:

- 6.1 This report is not a decision making report and is only providing information to Audit Committee members. There are no sustainability or equality implications to be assessed. Such implications would have been considered as part of any decisions to affect staff changes as a result of restructuring etc.

7. SAFEGUARDING AND CORPORATE PARENTING IMPLICATIONS:

- 7.1 This report is not a decision making report and is only providing information to Audit Committee members. There are no safeguarding or corporate parenting implications to be considered.

8. CONSULTEES:

Head of People Services and Information Governance

9. BACKGROUND PAPERS:

Appendix 1 – 2015/16 Annual Accounts extract – Termination benefits

10. AUTHOR:

Peter Davies – Chief Officer, Resources

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16.10 Termination Benefits

The Code does not set out a precise definition of exit packages and authorities need to consider the relevant departure costs that have been recognised in the financial statements in accordance with the Code's requirements on termination benefits.

Termination benefits are defined as amounts payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Code sets out that the form of the employee benefit does not determine whether it is provided in exchange for service or in exchange for termination of the employee's employment.

Total Cost of Exit packages reflects redundancy payments, settlement agreements to terminate employment, and any strain costs associated with the agreed enhancement of post-employment pension benefits.

2015-16	No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each payband	
Exit package Cost band				£000's
£0 - £20,000	62	1	463	
£20,001 - £40,000	29	1	785	
£40,001 - £60,000	6	1	274	
£60,001 - £80,000	1	0	67	
£80,001 - £100,000	0	0	0	
£100,001 - £150,000	1	0	102	
Total	99	3	1,691	

2014-15 (Restated)	No. of Compulsory Redundancies agreed	No. of other departure costs agreed	Total Cost of Exit Packages in each payband	
Exit package Cost band				£000's
£0 - £20,000	41	1	289	
£20,001 - £40,000	22	2	597	
£40,001 - £60,000	6	0	273	
£60,001 - £80,000	6	0	423	
£80,001 - £100,000	1	0	98	
£100,001 - £150,000	1	0	116	
Total	77	3	1,796	

Table 4: Gender breakdown by grade

Count of Employee Number	Column Labels		
Row Labels	F	M	Grand Total
Band A scp 5-9	2		2
Band B scp 9 -13	9		9
Band C scp 13 -17	10	3	13
Band D scp 17-21	18	4	22
Band E scp 21-25	12	2	14
Band F scp 25-29	7	1	8
Band G scp 29-33		2	2
Band H scp 33-37	7	1	8
Band I scp 37-41	3	1	4
Band J scp 41-45		1	1
Band K scp 45-49			0
Band L scp 49-53			0
Band M scp 53-57	1		1
Chief Officer			0
UNQUALIFIED Teacher			0
TEACHERS MAIN PAY SPINE			0
TEACHERS UPPER PAY SPINE	7	4	11
ASSISTANT HEAD TEACHER	1		1
DEPUTY HEAD TEACHER	1		1
HEADTEACHER		1	1
SOULBURY	1		1
Grand Total	79	20	99

Table 5: Gender breakdown by salary band

Count of Employee Number	Column Labels		
Row Labels	F	M	Grand Total
0-4999	13	0	13
5000-9999	8	1	9
10000-14999	18	2	20
15000-19999	12	5	17
20000-24999	10	3	13
25000-29999	3	2	5
30000-34999	5	1	6
35000-39999	6	5	11
40000-44999	0	0	0
45000-49999	1	0	1
50000-54999	1	0	1
55000-59999	1	0	1

60000-64999	0	0	0
65000-69999	1	1	2
70000-74999	0	0	0
75000-79999	0	0	0
80000-84999	0	0	0
85000-89999	0	0	0
90000-94999	0	0	0
95000-99999	0	0	0
100000-104999	0	0	0
105000-110000	0	0	0
110000+	0	0	0
Grand Total	79	20	99