

Agenda Item No: 10

Report To: Cabinet

Date: 14th April 2016

Report Title: Grounds Maintenance, New Operational Structure: Approval of costs associated with early release of Local Government Pension Scheme benefits due to redundancy.

Portfolio Holder: Cllr Miss Martin Portfolio Responsibility for Information and Communication

Report Author: Joy Cross- Human Resources Manager

Summary: In October 2016 the Grounds Maintenance function will become an in-house service and there will no longer be an external contract to manage. As a consequence there will no longer be the requirement for officers to monitor a contract, and contract management posts will become redundant.

This report explains that two affected post holders are entitled to the early release of their Local Government Pension Scheme benefits due to reasons of redundancy.

It is the Council's policy with regard to the application of pension scheme discretions that the costs associated with early release of the Local Government Pension Scheme benefits must be approved by Council.

Key Decision: Yes

Affected Wards: None

Recommendations: The Cabinet be asked to recommend to Council that it:-

(i) Approve the costs of the early release of Local Government Pensions Scheme Benefits for affected post holders for reasons of redundancy.

Policy Overview: The Council's policy on the application of pension scheme discretions is that all costs associated with early release of the local government pension benefits must be approved by Council.

Financial Implications: Cost implication of early release of the LGPS pension
Total pension liabilities, cost to the Council, is estimated to total £55,583.00 (if paid as a lump sum).

Risk Assessment No

Equalities Impact Assessment	Yes
Other Material Implications:	None
Exemption Clauses:	Not applicable
Background Papers:	None
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Report Title:

Grounds Maintenance, New Operational Structure: Approval of costs associated with early release of Local Government Pension Scheme benefits due to redundancy

Purpose of the Report

1. The report seeks to gain Council approval for the early release of Local Government Pension Scheme benefits for affected post holders in the event that their employment ends for reasons of redundancy.
2. The report seeks to comply with the Council's policy with regard to the application of pension scheme discretions, in that the costs (liabilities to the Council) associated with early release of the Local Government Pension Scheme benefits must be approved by Council.

Background

3. In September 2015 Cabinet agreed to take the Grounds Maintenance function in house so that it had greater control over the quality, flexibility and costs of the in-house grounds maintenance service across the borough. This matter was dealt with in the September Cabinet Paper 'Landscape Management: Improving Presentation of the Borough; Creating an In House Service' and this paper provided delegations to Heads of Services to take necessary steps to give effect to the recommendations of this report, including developing and consulting on an operational structure for this new service.
4. In February 2016 a consultation paper was submitted to the JCC stating that:

"As ABC will no longer have a grounds maintenance contract to monitor and manage it is inevitable that some posts, especially the Street Scene and Open Spaces Officers, will no longer be required to monitor the contract".
5. The three affected employees are being consulted with at present and although consultation is ongoing they may have a potential last day of employment of 30th September 2016.

Policy Background - Council's Retirement, Redundancy and Discretionary Compensation Policy statement

6. All three officers are Local Government Pension Scheme (LGPS) Members. Under the Pension Scheme Regulations, if a scheme member aged 55 or over, is made redundant the individual is entitled to early release of their

pension. Two of the affected officers would be eligible to early release of their pension, i.e. they are aged 55 or over. The Council's policy on the application of pension scheme discretions is that all costs associated with early release of the LGPS benefits must be approved by Council.

7. No other redundancy costs require a full council approval, the Council's Retirement, Redundancy and Discretionary Compensation Policy statement sets out the thresholds at which the approval must be referred to full Council; currently the threshold is £100,000. The Chief Executive, with the concurrence of the Leader, recommendation of the Portfolio Holder and in consultation with Management Team, has the delegated authority to approve amounts where the total capital cost is below this threshold.

Communities Impact Assessment

8. Age related criteria associated with the early release of pension benefits complies with the LGPS scheme rules.

Other Options Considered

9. The early release of Local Government Pension Scheme benefits for affected post holders would only be actioned in the event that no suitable alternative work (as defined under Section 141 of the Employment Rights Act 1996 and as set out in Council's policy Redundancy and Organisational Change) can be found for these affected officers.

Consultation

10. Formal consultation with affected employees commenced on 15th January 2016 and has been ongoing since that point. Three formal consultation meetings have taken place thus far with each of the three affected individuals. In the most recent formal consultation meetings, held on the 22nd March and 31st March 2016, affected employees were advised that their posts would be made redundant and that all future formal consultation would focus on finding suitable alternative employment.
11. Since 15th January 2016 affected employees have been placed on the Council's redeployment list and have been invited to complete a Skills Audit to enable them to be best matched to any suitable alternative posts.
12. Suitable alternative employment is being actively sourced by Personnel and all reasonable redeployment opportunities explored.

Implications Assessment

13. The financial implication of agreeing to this early release of LGPS benefits for affected post holders is £55,583.80.

Handling

14. If Members are minded to approve this report the implications would be effective from end September 2016

Conclusion

15. Early release of Local Government Pensions Scheme benefits are sought in line with Council policy and would take place in the event that the post holders are displaced, following all reasonable redeployment opportunities being explored.

Portfolio Holder's Views

16. " I fully support this report as it is line with Council Policy."

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