

**REPORT FOR: LICENSING & GENERAL
PURPOSES COMMITTEE**

Date: 1 March 2011

Subject: INFORMATION REPORT – Voluntary
Severance Scheme

Responsible Officer: Tom Whiting, Assistant Chief
Executive

Exempt: No, except for Appendix A which is
exempt by virtue of paragraphs 3 & 4,
Part 1 of Schedule 12A of the Local
Government Act 1972 (as amended).

Enclosures: Appendix A – VSS Status Report

Section 1 – Summary and Recommendations

FOR INFORMATION

This report provides the Committee with an update on the Voluntary Severance Scheme (VSS) and cost to pension fund.

Section 2 – Report

Background

The Council has made significant progress over the past two years in reducing spend and the Better Deal for Residents programme will make a significant contribution to delivering future savings. However, cuts from central Government meant that the Council had to find an additional £5.8m savings for this year (2010/2011), on top of the estimated £50m over the next three years starting April 2011.

In 2009 the Council adopted a Voluntary Severance Scheme to assist it in reducing staffing revenue cost. To find further savings this year and reduce the potential costs of planned future reductions in the workforce the Council re-introduced a Voluntary Severance scheme to assist it in reducing staffing revenue cost and create redeployment opportunities for staff at risk of redundancy.

In order to maximise the effectiveness of the Voluntary Severance scheme it was critical that decisions relating to the early release of pension benefits were taken at the earliest opportunity enabling as many volunteers as possible to leave the Council from September 2010. It was anticipated that regular assessment of business cases would be required over the period September through to 31 December 2010.

The current arrangements of convening ad hoc meetings of the Early Retirement Sub-Committee would negatively impact on timelines, and reduce the savings the Council would be able to realise through the scheme. Consequently, on 10 September 2010 Councillor Dhamarajah and Councillor John Cowan were consulted on and agreed an urgent action decision which provided for the following delegation and reporting instructions, for VSS cases instigated between 18 September 2010 to 31 December 2010:-

1. Delegate authority to the Corporate Director of Finance, in consultation with the Officer Review Board, solely for the duration of the Voluntary Severance scheme, to determine requests from employees leaving in accordance with that scheme to receive their pension benefits under Regulation 30 of the Local Governance Pension Scheme Regulations 2007.
2. Instruct the Interim Divisional Director Shared Services to report all cases and costs incurred to the Pension Fund to the Chairman and Vice-Chairman of Licensing and General Purposes Committee and subsequently to the Committee.

Councillors Dhamarajah and John Cowan received weekly reports up until 4 January 2011.

Appendix A provides current position.

Elected Members will wish to note that VSS cases are still being processed and that the figures provided in Appendix A do not reflect the final position.

Section 3 – Further Information

A further report on early retirements will be presented to the Licensing & General Purposes Committee in the next financial year.

Section 4 – Financial Implications

Contained within body of report.

Section 5 - Corporate Priorities

N/A

Name: Steve Tingle



on behalf of the*
Chief Financial Officer

Date: 17 February 2011

Section 6 - Contact Details and Background Papers

Contact: Jon Turner, Divisional Director Human Resources & Development.
Tel: 020 8424 1225
Email: jon.turner@harrow.gov.uk

Background Papers:

Urgent Action Decision - September 2010