

**Joint Report of the Chief Constable and the Chief Executive to the Chair
and Members of the Policy & Resources Panel
25th August 2011**

**Executive & Presenting Officer: Mr Sean White, Temporary Deputy Chief
Constable**

Status: For approval

Redundancy Payment Policy – Police Staff

1. Purpose

- 1.1 To seek Members support for commencing formal consultation with UNISON to consider the suitability, and continued viability, of the Early Retirement/Redundancy Payment Policy – Police Staff.

2. Recommendations

- 2.1 That Members support and approve the commencement of formal consultation with UNISON on the Early Retirement/Redundancy Payment Policy – Police Staff.

3. Reasons

- 3.1 A revised Redundancy Payment policy was agreed by the Police Authority Executive at its meeting on 23rd February 2007. This policy applied to Police Authority staff and police staff, who are eligible to be a member of the Local Government Pension Scheme (LGPS), whether or not they are a member.
- 3.2 The policy was revised at that time following receipt of regulations which provided a degree of flexibility to employers when trying to manage termination of employee contracts by reason of redundancy and/or in the interests of the efficiency of the service.

- 3.3 The current policy is based around an enhancement to the statutory redundancy calculator of a multiple of 2.2, based on actual weeks' salary as well as the provision for payment up to 104 weeks in exceptional circumstances.
- 3.4 In formulating a policy the LGPS regulations state that the Authority must:
- Have regard to the extent to which the exercise of their discretionary powers (in accordance with the policy) unless properly limited, could lead to a serious loss of confidence in the public service; and
 - Be satisfied that the policy is workable, affordable, and reasonable having regard to the foreseeable costs.
- 3.5 The outcome of the Comprehensive Spending Review (CSR) by the Coalition Government has meant that significant cost savings are being placed upon all public sector organisations. Cleveland Police is no exception.
- 3.6 Over the last few months a number of local government authorities: Middlesbrough Council, Redcar & Cleveland Council, and Hartlepool Council, to name but a few, have commenced reviewing their redundancy packages, in the light of attempting to reduce overall expenditure where possible.
- 3.7 This approach is not being taken in isolation but is being considered as part of a wider root and branch review of all direct and non-direct budgetary pay streams.
- 3.8 Whilst Cleveland Police has committed to no compulsory redundancies where possible, the Force has recently been subject to a number of fixed term contracts being terminated as a result of partner agency funding coming to an end. As part of the terms of the contractual agreement the redundancy payments which have been paid as a result of these terminations, have been made based against the current Cleveland Police Authority 2.2 Redundancy Calculator.
- 3.9 Redundancies being made at other local government authorities. Middlesbrough Council has highlighted that Middlesbrough appear to have moved to a 1.25 cost calculator, compared with our 2.2.
- 3.10 Whilst the Force is undergoing a period of workforce modernisation this affords the opportunity to review the current situation and benchmark Cleveland Police Authority's current position against other local government authorities and public bodies.
- 3.11 The Authority needs to balance its wish to be an employer of choice with the need to deliver an affordable scheme whilst offering value for money.
- 3.12 We are seeking Members approval to commence consultation on delivering a revised policy in line with the aims outlined at 3.4.

- 3.13 We anticipate reporting back to Members on the consultation process with a revised policy during Autumn 2011.

4. Implications

4.1 Financial

Financial savings at this point are difficult to ascertain given the lack of substantive data available. However, it is fair to say that savings could be made through a reduced redundancy calculator and/or reconsidering areas where discretionary payments can be made.

4.2 Diversity and Equal Opportunities

There are no significant diversity and equal opportunities issues arising from this report.

4.3 Human Rights Act

There are no significant Human Rights Act issues arising from this report.

4.4 Sustainability

Any financial savings which support the Force long term financial plan should be considered.

4.5 Risk

There is a risk to its reputation if Cleveland Police does not review its redundancy / early retirement payments policy for Police Staff in the current economic and financial climate. Failure to undertake such a review could lead to a loss of confidence in the public service.

5. Conclusions

- 5.1 Given the financial and economic climate in which the Authority finds itself, it would not be considered prudent if the Authority did not explore the possibility of reviewing the redundancy / early retirement payment policy and bringing it in line with other local government and public body employers across the region.

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