

MINUTES OF A MEETING OF THE  
 LOCAL JOINT PANEL HELD IN THE  
 WAYTEMORE ROOM, THE  
 CAUSEWAY, BISHOP'S STORTFORD  
 ON WEDNESDAY 29 NOVEMBER, 2006  
 AT 2.30 PM

---

PRESENT: Employer's Side

Councillor M Wood (Chairman)  
 Councillors M R Alexander, L O Haysey, A P  
 Jackson,

Staff Side (UNISON)

Robert Ball, Chris Cooper, Jane Sharp,  
 Andy Stevenson

ALSO IN ATTENDANCE

Councillor D A A Peek

OFFICERS IN ATTENDANCE:

Anne Freimanis	- Chief Executive
Gerald Balabanoff	- Interim Director Organisational Development
Lorraine Blackburn	- Committee Secretary
Rosemary Jones	- Human Resources Officer
Tina Nash	- Head of Human Resources

23 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Councillor D A A Peek as an  
 observer to the meeting.

ACTION

The Chairman stated that he had agreed to an urgent item of business being added to the agenda in respect to the compensation on redundancy, and the need for Members to make a recommendation to Human Resources Committee.

RECOMMENDED ITEMSACTION

**24 POLICY AND PROCEDURE FOR (1) ACHIEVING ORGANISATIONAL CHANGE AND (2) REDEPLOYMENT SCHEME**

---

The Secretary to the Employer's Side submitted a report which ensured that the revised policies complied with the Council's statutory duty in relation to change management and the redeployment of staff. She thanked UNISON for their involvement and comments in the preparation of these documents.

The Secretary to the Staff Side was happy with the report but would have preferred to see more generous pay protection.

**RECOMMENDED** – that (A) the policy and procedure for Achieving Organisational Change be approved and adopted; and

(B) the Redeployment Scheme be approved and adopted.

**25 TIMETABLE OF REVISIONS TO HUMAN RESOURCES HANDBOOK**

---

The Secretary to the Employer's Side submitted a report detailing the timetable for the reproduction and updating of the HR Handbook in order to ensure that the Council complied with its statutory duties and maintained good people management processes.

The Secretary to the Employer's Side commented that much of the urgent work had now been carried out and

ACTION

that the entire process could take approximately two years to complete.

The Chairman, on behalf of Members, thanked the Secretary to the Staff Side for her work in the process.

**RECOMMENDED** – that the timetable for revisions of the HR Handbook appended to the report now submitted, be approved.

IDOD

**26 FLEXIBLE WORKING SCHEME**

The Secretary to the Employer's Side submitted a report concerning the flexible working scheme. The background to the introduction to the scheme which was being piloted in some areas of the Council was explained. The Secretary to the Employer's Side thanked UNISON for their valuable contribution to the process and explained that this was a jointly produced document.

It was hoped that the scheme could be rolled out in all areas, subject to operational needs.

Members recognised the extensive work done by all officers in producing the scheme and representatives of UNISON commented positively on the flexibility of the scheme. The pilot scheme in Revenue Services had shown increased levels of productivity.

The Chairman thanked all concerned for their efforts in producing this detailed piece of work.

**RECOMMENDED** – that the Flexible Working Scheme be approved and adopted.

**27 COMPENSATION ON REDUNDANCY**

The Interim Director of Organisational Development submitted a report entitled Compensation on

ACTION

**Redundancy following the issue of new regulations. UNISON'S response to the matter had been distributed to all Members in advance of the meeting.**

**The Interim Director commented on the complexity and the background to the new regulations which came into force on 29 November 2006. He reminded the Panel that East Herts' existing policy was appended to the report but in practice the following had applied under the previous regulations:**

- (a) For people under 50 at the date of employment termination of their employment and any employees not in the pension scheme, the Council pay a cash lump sum of 1 x up to 66 weeks (according to a table in the 2000 Discretionary Compensation Regulations) x actual pay;**
- (b) For people 50 and over at the date of employment termination and in pension scheme membership a cash lump sum of 1 x number of weeks in the statutory redundancy table (Appendix B of the report now submitted) x actual pay plus added years or augmentation of pension. (Under the 2000 DCR, up to 10 years could be added; under the pension regulations up to 6 years 8 months could be added. The amount to be added was at the Council's discretion.**

**Until recently, it was noted that it was not uncommon to award the employee his/her personal maximum (to take personal membership up to 40 years).**

**The report explained that the new regulations offered two possibilities for the Council as employer to compensate employees on redundancy, both available to employees of any age:**

ACTION

- (c) the amount, which was 1 x up to actual pay x number of weeks in the statutory redundancy table plus the possibility, for pension scheme members, of up to 6 years 8 months augmentation under pension regulation 52;**
- (d) the amount which is 1 x up to actual pay x number of weeks in the statutory redundancy table, where there is no possibility of augmentation but the number of weeks can be increased by any multiplier between 1 and 3.46 (maximum 104 weeks).**

**The report suggested that:**

- (A) Compensation should continue to be calculated by reference to actual pay;**
- (B) Augmentation should cease;**
- (C) Employees should have the option to convert their redundancy compensation (but not the statutory part which must be paid in cash) into added years;**
- (D) The multiplier between 1 and 3.46 be determined;**
- (E) The new policy come into effect one month after publication following the Human Resources Committee and apply to all redundancy notices thereafter;**
- (F) Statutory redundancy be not offset against pensions or pension scheme lump sums.**

**The Interim Director commented that it was important to note the timescales in relation to the publication of the new policy.**

ACTION

**The point was made that the current redundancy packages particularly to those over 50 was becoming unsustainable and the need to treat all employees equitably, fairly and with dignity.**

**The Secretary to the Staff Side commented on the difficulty in the timing of the regulations particularly in the light of a staffing reorganisation. She commented that to change the regulations now and not give added benefits to those who might be made redundant in the future, would not be good for employee relationships. She stressed the need for the same rules to be applied to all staff.**

**The Secretary to the Staff Side commented that it was difficult to make an estimate of future based costs based on historical examples; that a comparative study should be undertaken of the cost based on the new regulations with and without pension augmentation. She referred to the savings to be made by employers as a results of the “new look LGPS”.**

**The point was made that the high cost of redundancies was due to early release of pensions and not to the augmentation of the pension. A study of the costs comparisons was detailed in the report now submitted. In that study, it showed that if employees were not awarded added years, then their redundancy payment increased dramatically. She commented that based on the costing example, people would opt for higher redundancy payment because they would not see the benefit of an enhanced pension until the age of 65.**

**The issue of what multiplier should be applied and its implications were discussed. UNISON supported a multiplier of 3 whereas Members felt that 2 or a little above, was more appropriate and affordable.**

**The Secretary to the Staff side generally felt that:**

ACTION

- **employee relations would be damaged if the same rules were not applied;**
- **the cost of future redundancies packages had been overestimated;**
- **that a Policy to use Regulation 52 when an employee chose to augment should be implemented;**
- **further time be allowed to consider the implications in more detail rather than the matter being determined at the meeting on 14 December;**
- **the need to introduce a realistic policy given the composition of the majority of local government employees; and**
- **that redundant employees should have the option of either (c) or (d) above.**

**Members agreed with the need to treat individuals with fairness, equality and dignity. Reference was made to the un-sustainability of the current redundancy arrangements.**

**The issue of Regulation 52, augmentation and the implications of a multiplier were debated. A way forward in relation to capping was considered. The Interim Director commented that:**

- (i) no-one had proposed a non-age discriminatory way for the calculation of pension regulation 52 augmentation between 1 day and 6 years 8 months;**
- (ii) “capping” compensation under (d) above was not possible because of the advice that to be non-discriminatory the same multiplier must be used**

ACTION

for all cases;

- (iii) that it was unclear if offering employees the option of (c) or (d) was possible because it could give rise to age discrimination challenge arising from experience over time and because it was handing the Council's statutory discretion to a third party (the employee).

He agreed to provide UNISON with information after meeting and that this would be included in the report to the Human Resources Committee.

The Interim Director felt that, in his opinion, it was very difficult to see how a single local authority could operate both (c) and (d) above in a non-age discriminatory way. He explained the need to adopt a policy without delay as:

- (i) the Council had to have a policy in place for any employee whose last day of service was after 1 April 2007;
- (ii) some employees were on three months' notice and the only available meeting of the Human Resources Committee before the end of December is on the 14 December;
- (iii) the Authority was undergoing a reorganisation with 2<sup>nd</sup> tier posts about to be affected;
- (iv) employees were entitled to know the Authority's policy, especially those who could be directly affected in the immediate future; and
- (v) the new regulations had come into force.

The Secretary to the Staff Side commented that using a multiplier of 2 would not benefit employee relationships.



ACTION

**(A motion to adopt the policy in the report of the Interim Director of Organisational Development, detailed above was not supported by the Staff Side and therefore fell).**

**RECOMMENDED – that (A) as both Sides were not in agreement the respective views of both be reported to the Human Resources Committee; and**

**(B) further information on the issue of capping and the use and implications of a multiplier be circulated to all Members of Human Resources Committee in advance of the meeting.**

**IDOD**

RESOLVED ITEMS

28 MINUTES

RESOLVED – that the Minutes of the meeting held on 25 September 2006 be signed by the Chairman as a correct record.

29 DATE OF FUTURE MEETING

RESOLVED - that the next meeting be held on 28 February 2007.

The meeting closed at 3:35 pm.

Chairman	.....
Date	.....