

**Meeting date:** 14 November 2022

**Report to:** Remuneration Committee

**Report title:**

**Report from:** Severance Cases Approved 2021/22

**Report author/lead contact officer:** Director of Resources and Deputy Chief Executive

Julie Cooper: Head of Financial Operations 0121 704 8277  
jjcooper@solihull.gov.uk

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**Wards affected:**

- All Wards |  Bickenhill |  Blythe |  Castle Bromwich |  Chelmsley Wood |  
 Dorridge/Hockley Heath |  Elmdon |  Kingshurst/Fordbridge |  Knowle |  
 Lyndon |  Meriden |  Olton |  Shirley East |  Shirley South |  
 Shirley West |  Silhill |  Smith's Wood |  St Alphege
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**Public/private report:** Public

**Exempt by virtue of paragraph:** N/A

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**1. Executive Summary**

- 1.1 To inform the Committee of the Severance cases approved during 2021/22.

**2. Decision(s) Recommended**

- 2.1 The Committee is asked to note the report.

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### **3. Matters for Consideration**

- 3.1 The Council's severance scheme has been developed in recognition of the additional costs for redundancy and early access to pension.
- 3.2 The Severance Reserve is only utilised when there are significant costs, either arising from large scale restructuring and change programmes or where the service cannot be expected to fully fund these costs. Funding from the Severance Reserve has to be approved by the Corporate Leadership Team (CLT).
- 3.3 Services funded by grant (including the Dedicated Schools Grant) are expected to fully fund all costs relating to any early leavers.
- 3.4 A breakdown of each Severance case, including the total costs can be found in Appendix A. This has been circulated separately to Members, within the private section of the agenda on the grounds that there would be the disclosure of exempt information as defined in Paragraph 3 Schedule A of the Local Government Act 1972.
- 3.5 2021/22 saw a number of operational and legislative changes, as well as transformation of services within the Council. The majority of the 33 severance cases in the financial year resulted from service changes in the following areas:
- Childrens Services & Skills – The costs predominantly related to the restructuring of a number of services as part of the Education Management of Change process.
  - Economy and Infrastructure – A review of the management structure for Customer Services, Libraries and Arts resulted in the deletion of a post. The changes to the structure were cost neutral and supported greater integration between the services which were historically separate.
  - Resources - A small number of posts were deleted during 2021/22 within the Catering Service to achieve operational efficiency.
  - In addition to the above Core Council cases, 2021/22 saw a number of redundancies take place at schools, the cost of which totalled £152,000.
- 3.6 The total cost of the 33 cases was £799,913, £53,881 of which was funded from the Severance reserve and £746,032 from individual Directorate/School budgets.
- 3.7 Twelve of these cases also resulted in additional employer's national insurance contributions totalling £22,000. This is a further cost that has been charged on termination payments over £30,000 since 6 April 2020, as a result of a change to legislation. This is excluded from the total cost included in Appendix A as this is a cost paid to the government rather than to the employee.

- 3.8 In addition to the severance cases detailed in Appendix A, there were also twelve cases where discretion was applied, under the LGPS regulations 2013 and LGPS transitional provisions and savings regulations, to allow staff members aged 55 or over to reduce their hours and/or grade and access accrued benefits from their pension.
- 3.9 In one of these cases, there was a nominal cost to the Council of the staff accessing these benefits, which was funded from individual Directorate budgets. All of these cases were approved by the Director of Resources and Deputy Chief Executive under his delegated authority.

**4. What options have been considered and what is the evidence telling us about them?**

4.1 N/A

**5. Reasons for recommending preferred option**

5.1 N/A

**6. Implications and Considerations**

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"> <li>1. Improving outcomes for children and young people in Solihull.</li> <li>2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it.</li> <li>3. Take action to improve life chances and health outcomes in our most disadvantaged communities.</li> <li>4. Enable communities to thrive.</li> </ol>	<p>The budget and MTFs considerations address all of the Council's priorities.</p> <p>The severance scheme and process, alongside the severance reserve facilitates the Council in making decisions around its staff, ensuring it does not jeopardise the services it provides to the wider community.</p>
<p>Economy:</p> <ol style="list-style-type: none"> <li>5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres.</li> <li>6. Maximising the opportunities of UK Central and HS2.</li> <li>7. Increase the supply of affordable and social housing that is environmentally sustainable.</li> </ol>	<p>See above</p>
<p>Environment:</p>	<p>See above</p>

Priority:	Contribution:
8. Enhance our natural environment, improve air quality and reduce net carbon emissions.	
9. Promote employee wellbeing	See above

## 6.2 Consultation and Scrutiny:

6.2.1. This report has not been presented to a Scrutiny Board

## 6.3 Financial implications:

6.3.1. The balance of the Severance Reserve at 31 March 2022 was £2.260 million. This includes the budgeted annual contribution of £469,000 made in 2021/22.

## 6.4 Legal implications:

6.4.1. None

## 6.5 Risk implications, including Risk Appetite:

6.5.1. Based on the information provided, it is the officers' opinion that the significant risks have been identified, assessed and arrangements are in place to manage them effectively.

## 6.6 Equality implications:

6.6.1. There are no direct equality or diversity implications as a result of this report.

## 6.7 Linkages to our work with the West Midlands Combined Authority (WMCA), Local Enterprise Partnership or the Birmingham & Solihull Integrated Care System (ICS):

6.7.1. None

## 7. List of appendices referred to

7.1 Appendix A (in private)

## 8. Background papers used to compile this report

8.1 None

## 9. List of Other Relevant Documents

9.1 None