



Audit and Procurement Committee

Time and Date

4.00 pm on Tuesday, 30th August, 2022

Place

Committee Room 3 - Council House

Public Business**1. Apologies****2. Declarations of Interest****3. Exclusion of Press and Public**

To consider whether to exclude the press and public for the private item of business.

4. Consideration of Approval of Severance Package (Pages 3 - 8)

Report of the Director of Streetscene and Regulatory Services

5. Any Other Items of Urgent Public Business**Private business****6. Consideration of Approval of Severance Package (Pages 9 - 16)**

Report of the Director of Streetscene and Regulatory Services

(Listing officer: A Walster, Andrew.walster@coventry.gov.uk)

7. Any Other Items of Urgent Private Business

Julie Newman, Director of Law and Governance, Council House, Coventry

Friday, 19 August, 2022

Note: The person to contact about the agenda and documents for this meeting is Lara Knight / Michelle Salmon, Governance Services, Email: lara.knight@coventry.gov.uk / michelle.salmon@coventry.gov.uk

Membership: Councillors S Agboola, M Ali, R Auluck, R Lakha (Chair), T Sawdon,

B Singh (Deputy Chair)

Substitute Members: R Bailey, A Hopkins, J Lepoidevin and R Singh

By Invitation: Councillor R Brown, Cabinet Member for Strategic Finance and Resources

Public Access

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It is anticipated that further information will be considered in the private part of the agenda in respect of this item, as it will contain details of information required to be kept private in accordance with Schedule 12A (paragraphs 1,2,3 and 4) of the Local Government Act 1972. The grounds for privacy are that it will contain information relating to individuals, the financial and business affairs of any particular person (including the authority holding that information) and information relating to labour relations matter. The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

Audit and Procurement Committee

30 August 2022

Name of Cabinet Member:

Cabinet Member for Strategic Finance and Resources – Councillor R Brown

Director Approving Submission of the report:

Director of Streetscene and Regulatory Services

Ward(s) affected:

None

Title:

Consideration of Approval of Severance Package

Is this a key decision?

No

Executive Summary:

As a result of the Waste Industrial dispute the City Council's Commercial Waste Operation has suffered permanent income loss of c£2m per annum income. To reduce the ongoing cost burden to the City Council following this fall in income it has been necessary to offer a package of Voluntary Redundancies and / or Early Retirement (VR/ER) to some waste services staff.

The closing date for colleagues to express their interest in the VR/ER package is 24th August 2022, with a leaving date of the 31st August 2022. Given the length of service, the combination of redundancy and pension costs, there is the potential for a small number of these exit packages to be individually more than £100,000. Under Part 2I, paragraph 8.5 of the Constitution, it is for the Audit and Procurement Committee to approve the severance package for an employee of the Council which exceeds £100,000.

Given these tight timescales, a private report to confirm the details of any package(s) over £100,000 will be provided to the Audit and Procurement Committee Members prior to their meeting on the 30th August 2022.

Recommendation:

- (1) The Audit and Procurement Committee is requested to note this report and consider the information in the subsequent private report relating to severance payment(s) on voluntary redundancy/early retirement in relation to Waste Services as calculated.

List of Appendices to be circulated

None

Background papers:

None

Other useful documents

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel, or other body?

No

Will this report go to Council?

No

Report title: Consideration of Approval of Severance Package

1. Context (or background)

- 1.1 Part 2I of the Council's constitution requires that any severance package for an employee of the Council which exceeds £100,000 should be determined by the Audit and Procurement Committee. When calculating the value of an exit package, a local authority should calculate and include the costs to the authority as well as payments/benefits to the employee. The pension strain costs have therefore been added to the redundancy cost for the total cost of severance. Pension strain is an additional one-off sum that an employer is required to pay to the Pension Fund in order to allow the early release of pension benefits without actuarial reduction.
- 1.2 The trade dispute in waste services between 1st January and 30th July 2022 has seen the commercial waste business permanently lose c£2m of income per annum, despite the best efforts of the team to maintain a service for their customers.
- 1.3 In order to control the future costs of the commercial waste service without the above income, a package of VR/ER has been offered to drivers and senior crew members.
- 1.4 The vast majority of exit packages agreed to under this process are far below the £100,000 threshold. However, given the length of service, the combination of redundancy and pension cost there is the potential for a small number of these exit packages to be more than £100,000.
- 1.5 Colleagues have been asked to confirm their acceptance of the VR/ER package by 24th August 2022, with a leaving date of 31st August 2022. The details of exit packages over £100,000 will be contained in the corresponding private report.

2. Options considered and recommended proposal

- 2.1 The Audit and Procurement Committee is requested to note this report and consider the information in the subsequent private report relating to severance payment(s) on voluntary redundancy/early retirement in relation to Waste Services as calculated.

3. Results of consultation undertaken

- 3.1 Consultation on the proposal with the relevant Union have already taken place with consultation to take place directly with the employee(s) after the matter has been considered by the Audit and Procurement Committee.

4. Timetable for implementing this decision

- 4.1 Should the application be agreed, the employee contract(s) will end by 31st August 2022.

5. Comments from the Chief Operating Officer (Section 151 Officer) and the Director of Law and Governance

5.1 Financial implications

The overall costs, if approved, will be met from the City Council's earmarked reserve established for meeting staff exit costs to enable ongoing revenue savings to be made. As these posts will not be replaced, ongoing salary savings would be made, therefore the proposal will contribute to offsetting the annual loss in commercial waste income.

5.2 Legal implications

Under the Council's Constitution, the Audit and Procurement Committee is required to determine severance packages for employees, which exceed £100,000.

6. Other implications

6.1 How will this contribute to the Council Plan?

This change is part of the agreed dispute resolution negotiated with Trade Unions.

6.2 How is risk being managed?

The employee's redundancy has been discussed with each of the employees. The employees are aware of the need for Audit and Procurement Committee to approve exit packages in excess £100,000.

Scrutiny, via the Audit and Procurement Committee, reduces the risk of criticism as the governance arrangements are strengthened.

6.3 What is the impact on the organisation?

Approval of the proposed option will support the controlling of costs in commercial waste that are no longer supported by an income stream.

6.4 Equality Impact Assessment (EIA)

An equality impact assessment is not required for this report.

6.5 Implications for (or impact on) climate change and the environment

None

6.6 Implications for partner organisations?

None

Report author:

Name and job title:

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Director of Streetscene and Regulatory Services

Service:

Streetscene and Regulatory Services

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Enquiries should be directed to the above person.

Contributor/approver name	Title	Service	Date doc sent out	Date response received or approved
Contributors:				
Suzanne Bennett	Governance Services Officer	Law and Governance	11/08/22	11/08/22
Cath Crosby	Lead Accountant – Business Partnering	Finance	11/08/22	13/08/22
Kate Eales	HR Business Partner	Human Resources	11/08/22	13/08/22
Names of approvers for submission: (Officers and Member)				
Barry Hastie	Chief Operating Officer	Finance	11/08/22	18/08/22
Susanna Newing	Chief People Officer	Human Resources	11/08/22	08/08/22
Julie Newman	Director of Law and Governance	Law and Governance	11/08/22	18/08/22
Councillor R Brown	Cabinet Member for Strategic Finance and Resources	-	11/08/22	15/08/22

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Agenda Item 6

By virtue of paragraph(s) 1, 2, 3, 4 of Part 1 of Schedule 12A of the Local Government Act 1972.

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