

**Report of the Chief Executive  
Somerset Council Redundancies Requiring Full Council Approval under the  
Localism Act Arising from the Workforce Restructuring Programme**

Executive Member: Councillor Bill Revans, Leader of the Council

Local Members and Divisions: N/a

Lead Officer: Duncan Sharkey, Chief Executive and Head of Paid Service

Author: Sari Brice, Strategic Manager HR Practice

Contact Details: sari.brice@somerset.gov.uk

**1. Executive Summary**

- 1.1** The purpose of this report is to present details of the proposed dismissals by reason of redundancy in relation to employees who occupy posts that it is proposed to delete from the Council's structure as part of the Workforce Restructuring Programme where the costs of the redundancy exceed £100k (redundancy payment plus Local Government Pension Scheme capital costs).
- 1.2** It provides recommendations on the role of Full Council in relation to these dismissals and requests the necessary delegation to the Head of Paid Service to finalise the payments associated with the redundancies, in line with appropriate legislation and policies.
- 1.3** Appendix A presents the cost of the redundancies to the Council. All payments are in accordance with statutory and contractual obligations.

**2. Recommendations**

- 2.1 Approve the redundancy costs for the 12 posts as set out in Appendix A, as Full Council approval is required for costs that exceed £100,000.**
- 2.2 Delegate authority to the Chief Executive to agree the final date of dismissal and the final redundancy packages, noting that such settlements will not exceed contractual redundancy pay or the payment required under statute to the Local Government Pension Scheme.**

**3. Reason for the Proposals**

**3.1 Workforce Restructuring Programme**

- 3.1.1** Somerset Council continues to face a challenging financial situation, due to soaring costs outpacing income growth and increasing demand for our

services. This has required the Council to rapidly accelerate the pace of change towards delivering a radically different way of working as a Council, to achieve sustainability - operating with fewer staff, whilst increasing our influence and impact.

- 3.1.2** The Executive endorsed a new 'Vision for a sustainable Somerset Council' in December 2023, that emphasises a leaner and more productive organisation. To achieve this, a new approach to whole Council Transformation was approved by Executive in February 2024 to bring together transformation and change programmes across the entire organisation, giving improved oversight and prioritisation of resources and investment. This has brought together activity to achieve the Council's vision, redesign our organisation, reshape our workforce, transform our services and deliver our savings as part of the Council's Improvement and Transformation Programme.
- 3.1.3** The Workforce Programme is a key component of the Improvement and Transformation Programme as an early enabler of redesigning and reshaping our workforce to one that is smaller, costs less and is more efficient and productive. It includes implementation of a new organisational operational structure which will complete the integration of five organisational operational structures into one, following Local Government Reorganisation to form our unitary council in April 2023.
- 3.1.4** Finalising the implementation of a single operational structure for the Council will help the Council to realise positive change and better outcomes for the people, place and communities of Somerset, including:
- Putting the people of Somerset at the heart of the New Authority
  - Creating new local opportunities for residents to have a real say about their own communities
  - Cutting red tape
  - Freeing up money that can be spent on real local issues and challenges, including:
    - Caring for our most vulnerable residents
    - Delivering life-chances for our children and young people
    - Reducing rural isolation and loneliness
    - Delivering the housing each community needs
    - Investing in climate change
    - Boosting economic growth, jobs and apprenticeships
- 3.1.5** As part of the Workforce Reduction Programme the Council is committed to minimising compulsory redundancies by actively pursuing several lines of enquiry to reduce the pay bill, including reduction of agency, interims and consultants, removal of budgeted vacancies, voluntary reduction of contract hours and a review of fixed term contracts as well as a Voluntary Redundancy Scheme that was run in 2024.
- 3.1.6** The Chief Executive, Directors, casual/relief workers, agency workers and staff employed to work in maintained schools, whose pay, and terms and conditions are determined by the Governing Body, were not covered by these proposals and therefore not part of this consultation.
- 3.1.7** A 45-day collective consultation period was commenced on 24 October 2024. This was extended and closed on 14 December 2024. Fortnightly consultation meetings took place with trade unions. An additional period of

consultation took place between 13 and 20 January to consult with trade unions and those negatively impacted (approximately 100 staff) by end of consultation changes.

- 3.1.8** The 12 redundancies detailed in this report are part of the 562.7FTE reduction in the total workforce from 1 April 2025 and General Fund savings of £32.5m (excludes £1.5m savings made from the Corporate Leadership team restructure).

## **3.2 Constitutional Requirements**

- 3.2.1** The Local Authorities (Standing Orders) (England) Regulations 2001 state that the dismissal of a member of staff of the authority must be discharged by the head of paid service.

## **4. Implications**

### **4.1 Financial Implications**

- 4.1.1** At the Full Council meeting on 20 December 2023, the Council resolved to formally request a capitalisation direction from DLUHC in order to set the 2024/25 budget and avoid a Section 114 Notice. The application was made on 11 January 2024 for £76.9m, with £36.9m to balance the 2024/25 budget and £40m for the planned reduction in workforce.

- 4.1.5** The cost of the redundancies set out in this report includes the following considerations:

- Statutory Redundancy Pay
- Contractual Redundancy Pay

Costs to the Local Government Pension Scheme if an individual is aged 55 or over at the point of redundancy (known as the 'pension strain').

- 4.1.6** The 12 redundancies detailed in this report, that are subject to the Full Council decision, will save £770k annually. The associated costs with these redundancies are £1.9m, which the Council has sufficient budget set aside for.

- 4.1.7** The five legacy organisations all had different arrangements for the calculation of redundancy payments. These redundancy schemes are contractual and, for staff employed by Mendip District Council, Sedgemoor District Council, Somerset West and Taunton District Council, and South Somerset District Council, protected under TUPE.

An extract from each former Council's policy is below, as impacts redundancy payments (which include the required statutory redundancy payment).

#### **4.1.8 Mendip District Council**

The council exercises discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, to make compensatory payments to employees being made compulsorily redundant based on a multiplier of three times the number of weeks an employee would be entitled to under the statutory redundancy formula,

inclusive of any statutory redundancy payment, up to a maximum of 90 weeks' pay.

#### **4.1.9 Sedgemoor District Council**

The Council operates a discretionary enhanced redundancy payment scheme for compensation for loss of employment on redundancy grounds.

The Council will pay a lump sum using the statutory redundancy table and applying a multiplier of three times the statutory redundancy figure based on actual weeks' pay up to a maximum of 90 weeks.

#### **4.1.10 South Somerset District Council**

The Council exercises its discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 to make compensatory redundancy payments to employees being made redundant using a multiplier of 2.5 times the number of weeks an employee would be entitled to under the statutory redundancy formula in cases of compulsory and voluntary redundancy.

#### **4.1.11 Somerset West and Taunton Council**

The Council exercises discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 to make compensatory redundancy payments to employees being made redundant based on a multiplier of one and a half times the number of weeks an employee would be entitled to under the statutory redundancy formula, inclusive of any statutory payment, up to a maximum of 45 weeks' pay.

#### **4.1.12 Somerset County Council**

The compensation payments for those whose employment is terminated on the grounds of compulsory redundancy is up to the statutory maximum, calculated as follows:

Actual weekly salary up to the statutory maximum weekly pay multiplied by the number of weeks entitlement under the statutory redundancy formula.

For Voluntary Redundancies, the Authority has exercised its discretion to make payments on an actual week's salary, as opposed to the current statutory maximum.

#### **4.1.13 Statutory Redundancy Payments**

Under the Employment Rights Act 1996, redundancy payments are made to those who have two or more years of service, according to the following scale:

1. 1½ weeks' pay for each year of employment during which the employee was aged 41+.
2. 1 weeks' pay for each year of employment during which the employee was aged 22-40 inclusive.
3. ½ weeks' pay for each year of employment in which the employee was aged under 22.

Reckonable service is limited to the last 20 years before redundancy. The payment is therefore subject to an overall maximum of 30 weeks' pay,

depending upon the number of years worked after and including the age of 41.

#### **4.1.14 Continuous Service**

For the purposes of redundancies in local authorities, 'Employment' is regarded as continuous local government service.

The qualifying service in respect of receipt of redundancy payments is two years continuous service regardless of hours worked.

## **4.2 Legal Implications**

**4.2.1** The Local Authorities (Standing Orders) (England) Regulations 2001 state that the dismissal of a member of staff of the authority must be discharged by the Head of Paid Service.

**4.2.2** Full consideration has been given to policy, governance and employment law considerations relating to the redundancy process and follows discussion with Somerset Council's legal advisors and HR, Legal and Governance colleagues.

**4.2.3** An employee who is made redundant:

- Must be given notice of the termination of their employment and must be paid for their notice period.
- Must be paid a redundancy payment in line with statutory entitlement and any contractual entitlement; and
- Must be paid any accrued holiday pay due to them as at the termination date.

In addition, for employees whose roles are declared redundant who are age 55 or over, their LGPS pension becomes payable, and the Council is required to pay any pension strain so that the employee takes their pension free of any actuarial reduction.

## **5. Background Papers**

- 5.1 One Somerset Business Case - available at:  
<https://newsomersetcouncil.org.uk/wp-content/uploads/2020/07/OneSomersetBusinessCase.pdf>
- 5.2 Somerset Council's Constitution – Part I5 Officer Employment Rules.
- 5.3 Reports to Executive (7 February 2024 and 8 April 2024) and Scrutiny Committee Corporate & Resources (7 March 2024) – Developing the approach to Transformation - Future Council.
- 5.4 Reports to Executive (3 February 2025 – Council Organisation Restructure and Scrutiny Committee Corporate & Resources (29 January 2025) – Workforce Restructuring Programme 2024/25.
- 5.5 Report to Special Full Council (12 February 2025 – Council Organisation Structure).

**Note** For sight of individual background papers please contact the report author.

## Report Assurance

	<b>Officer Name</b>	<b>Date Completed</b>
<b>Finance &amp; Procurement</b>	Nicola Hix	12/02/2025
<b>Workforce</b>	Dawn Bettridge	10/02/2025
<b>Legal</b>	Jill Byron	17/02/2025
<b>Monitoring Officer/Governance</b>	Alyn Jones	14/02/2025
<b>Executive Lead Member</b>	Cllr Theo Butt Philip	20/02/2025
<b>Chief Executive</b>	Duncan Sharkey	18/02/2025

**APPENDIX A**

<b><u>Directorate</u></b>	<b><u>Current Post Name (Job Title)</u></b>	<b><u>Annual Salary (inc On Costs)</u></b>	<b><u>Redundancy Est – Statutory</u></b>	<b><u>Redundancy Est – Enhancement</u></b>	<b><u>Employer’s Pension Costs</u></b>	<b><u>Total Costs</u></b>
<b>CMT-Housing</b>	Area Manager	£52,659	£19,950	£50,079	£40,302	£110,331
<b>Community Services</b>	Principal Inspection Manager	£55,129	£20,300	£4,566	£79,486	£104,352
<b>Community Services</b>	Principle Buildings Engineer	£77,767	£19,250	£14,013	£197,818	£231,081
<b>Community Services</b>	Head of Estates Strategy & Development	£97,554	£19,250	£21,975	£225,752	£266,977
<b>Adult Services</b>	Homefinder Co-ordinator	£61,359	£17,500	£18,289	£117,139	£152,928
<b>Children &amp; Family Services</b>	Service Manager SEND Operational Manager	£58,881	£19,950	£6,151	£106,562	£132,663
<b>Community Services</b>	Specialist Fleet Services	£49,421	£21,000	£37,218	£51,625	£109,843
<b>Resources &amp; Corporate Services</b>	Case Manager	£55,129	£19,950	£15,374	£145,377	£180,701
<b>Children &amp; Family Services</b>	Curriculum & Topic	£53,873	£20,300	£4,000	£76,290	£100,590
<b>Community Services</b>	Service Manager Area Highways	£72,709	£20,650	£12,712	£88,054	£121,416
<b>Strategy Workforce &amp; Localities</b>	Corporate Manager	£73,283	£18,900	£73,427	£188,343	£280,670
<b>Community Services</b>	Regeneration Project Manager	£62,622	£18,900.00	£59,994	£45,588	£124,483

<b>Overall Total</b>	<b>£770,386</b>	<b>£235,900</b>	<b>£317,798</b>	<b>£1,362,336</b>	<b>£1,916,035</b>
----------------------	-----------------	-----------------	-----------------	-------------------	-------------------