

Finance and Resources Committee

10.00am, Thursday 9 December 2021

Voluntary Early Release Arrangements - Chief Officers and Senior Managers

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 To note that on 15 October 2020, Council approved the use of the allocated workforce transformation reserve to support the achievement of workforce efficiencies, including the use of targeted Voluntary Early Release Arrangements (VERA) exercise.
- 1.2 To note that Council had approved a saving of £2.940m for the 2021/22 financial year to be achieved from the reorganisation of senior leadership roles and wider organisational changes as a part of budget setting decisions made in February 2021.
- 1.3 To note the final position in respect of the 3 Chief Officers, 15 Senior managers (grades 9-12) and a further 12 colleagues (grades 6-8) who have left the employ of the Council through the VERA exercise.

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Chief Executive

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Voluntary Early Release Arrangements - Chief Officers and Senior Managers

2. Executive Summary

- 2.1 Council approved a saving for £2.940m in 2021/22 in relation to a reorganisation of senior leadership roles and wider organisational change as a part of setting its budget in February 2021.
- 2.2 As a part of progress towards achieving this target, 3 Chief Officers, 15 Grade 9-12 senior leaders and 12 colleagues (Grade 6-8) left the employ of the Council through Voluntary Early Release Arrangements (VERA).
- 2.3 This, together with senior leadership restructuring, has achieved in-year savings of £1.776m, with this sum increasing to £2.014m in subsequent years. The associated payback period for the related severance costs is 16.5 months.

3. Background

- 3.1 To note that Council had approved a saving of £1.740m for the 2021/22 financial year to be achieved from the reorganisation of senior leadership roles with a further £1.200m to be delivered through efficiency-driven staff release arrangements. The overall savings target for 2021/22 to be achieved from senior leadership costs and workforce efficiencies is £2.940m.
- 3.2 VERA is a process which allows the Council to offer severance payments to in-scope groups or organisation-wide, prior to organisational review and voluntary redundancy being offered to displaced colleagues. The current multiplier used to calculate VERA payments, as approved by the Committee, is 1.5, and the total severance payment is capped at £30,000 (excluding pension strain costs).
- 3.3 Colleagues in Chief Officer/Head of Service and Grades 6-12 roles (excluding colleagues within the Edinburgh Health and Social Care Partnership and Teachers) were invited to express an interest in VERA.

4. Main report

- 4.1 Applications were invited from Chief Officers/Heads of Service and colleagues employed in Grade 6-12 roles to be considered for VERA. Applications received were considered in line with agreed processes.
- 4.2 For Grade 6-12 applications, initial approval was granted by the relevant Executive Director, in consultation with the Head of Service for the area concerned and then there was a review by Finance, Human Resources and the Corporate Leadership Team which determined which applications to approve.
- 4.3 3 Chief Officers/Heads of Service, 15 Grade 9-12 senior managers and 12 Grade 6-8 applications were approved for release through this process.
- 4.4 For Chief Officer/Head of Service roles specifically, approval was granted by the Corporate Leadership Team and authorisation for business cases was sought from the Convenor of Finance and Resources, the Executive Director of Corporate Services and the Service Director: Finance and Procurement, subject to the relevant financial thresholds and in accordance with the Council's approved levels of delegation for such matters. In addition, given the seniority of the posts, the relevant Executive Committee Convenors and Vice Convenors were also made aware of the proposals and were able to seek assurance from Executive Directors about the approved VERA cases, particularly relating to business continuity and temporary arrangements, prior to new organisational structures being implemented.
- 4.5 Following the decisions to release 3 Heads of Service/Chief Officers through VERA arrangements, this contributed savings of £0.420m in 2021/22 and recurring savings of £0.378m from 2022/23 through the revised senior leadership structure, approved by Council in May 2021.
- 4.6 From the 15 applications for VERA that were approved for senior managers from Grades 9-12, this resulted in recurring savings of £1.123m. From the 12 Grade 6-8 colleagues approved for VERA this resulted in in-year savings of £0.233m, with this sum increasing to £0.513m in subsequent years.
- 4.7 Of the total in-year savings delivered through release of grade 6 to 12 colleagues, £0.841m was assumed to enable delivery of previously approved service savings or to address underlying directorate budget pressures, leaving a net saving of £0.935m to be allocated against the Council savings target for senior leadership costs and the £1.2m in-year VERA target as noted at 6.2. below.

5. Next Steps

- 5.1 The tier 2 organisational review and associated appointments have progressed, with approval given by Council on 23 September 2021 for substantive, external Chief Officer appointments to the new roles of Executive Director of Education and Children's Services and Service Director: Culture and Wellbeing, within the Place Directorate. The post of Service Director: Housing, Family Support and Fair Work

has not been appointed to on a substantive basis, with an acting-up appointment having been approved by the Executive Director of Place, in accordance with the Council's scheme of delegation to officers.

- 5.2 Further organisational reviews are now underway, at tier 3 management roles within the Place and Education and Children's Services Directorates, in accordance with our Managing Change Policy.

6. Financial impact

- 6.1 Council approved a saving for £2.940m 2021/22 in relation to a reorganisation of senior leadership roles and wider efficiency-driven staff release as a part of setting its budget in February 2021.
- 6.2 Business cases delivering in-year savings of £1.776m have been approved. Of this total, £0.841m has been assumed to enable the delivery of previously approved savings or to address underlying Directorate budget pressures, leaving £0.935m to be set against the Council target of £2.940m. The resulting shortfall, at present, is £2.005m and this is reflected within the overall revenue budget monitoring position. The associated payback period for the severance costs arising from senior leadership restructuring and wider workforce change is 16.5 months.

7. Stakeholder/Community Impact

- 7.1 Direct engagement and consultation with in-scope colleagues was undertaken and with Joint Trade Unions.

8. Background reading/external references

- 8.1 [Revenue Budget 2021/26](#) – The City of Edinburgh Council 18 February 2021
- 8.2 [Chief Officer Appointments](#) – The City of Edinburgh Council 23 September 2021

9. Appendices

- 9.1 Not applicable.