

 Executive – 27th July 2016		Agenda Item No. 11
Title	Customer Service Centre termination payment.	
For further information about this report please contact	Mike Snow – Head of Finance	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	Executive 10 February 2016 Minute Number 112	
Background Papers	Potential Redundancy Costs (Customer Service Centre), Executive 10 February 2016; Review of WDC/WCC Customer Service Centre & Digital Transformation Initiatives, Executive 30 September 2015.	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	14/7/2016	Chris Elliott/Bill Hunt
Head of Service	14/7/2016	Rob Hoof
CMT	14/7/2016	Bill Hunt
Section 151 Officer	14/7/2016	Mike Snow
Deputy Monitoring Officer	14/7/2016	Graham Leach
Finance	14/7/2016	Mike Snow
Portfolio Holder(s)	14/7/2016	Dave Shilton
Consultation & Community Engagement		
As part of the redesign process, consultation was carried out with all staff affected, the Trade Union.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 The purpose of this report is to agree how we fund the previously agreed 50% contribution to the redundancy costs of staff previously employed by Warwickshire County Council, following the District Council decision to withdraw from the joint Customer Service Centre.

2. **Recommendation**

- 2.1 That Executive approves a payment of £24,612 to Warwickshire County Council, funded from the General Fund Early Retirements Reserve, in respect of the previously agreed 50% contribution towards redundancy costs arising from the closure of the previous joint Customer Service Centre.

3. **Reasons for the Recommendation**

- 3.1 In September 2015 members agreed to cease the joint Warwickshire County Council (WCC)/Warwick District Council (WDC) Customer Service Centre (CSC). All calls were transferred back to the District Council from 1 April 2016.
- 3.2 Under the operation of the Joint CSC, the District Council had continued to directly employ some of the staff operating within the CSC. It had also contributed towards the costs of some staff employed by WCC. With the service transferring back to WDC, the County Council has had to reduce its remaining staffing requirements to reflect the reduced service need and the withdrawal of WDC funding.
- 3.3 As part of the agreement to cease the joint CSC, it was agreed that WDC would pay 50% of any redundancy costs incurred by WCC in relation to the impact on any CSC staff employed by them, as a result of WDC's withdrawal. In the previous February 2015 report to Executive it was stated that a further report would be forthcoming once more details were known.
- 3.4 The HR teams from WDC and WCC have worked in close partnership to minimise the impact on staff employed by both organisations as a result of the decision to cease the previous CSC arrangement. For example, all WCC staff impacted by the decision were given equal opportunities to apply for prospective roles within this Council in the same timeframes as their WDC colleagues, rather than have to wait until WDC jobs had been advertised externally as would happen in other cases.
- 3.5 WCC has now completed their service review, following their relevant processes in terms of redeployment and redundancy, in addition to the WDC process. Following on from this, 3 members of WCC staff are being made redundant and a further 2 officers are due a redundancy payment in respect of a reduction in hours.
- 3.6 The total redundancy cost to WCC is £49,224, making WDC's 50% contribution £24,612, which can be funded from the General Fund Early Retirement Reserve.

4. **Policy Framework**

- 4.1 There is a legal requirement to ensure that if members of staff are made redundant, they are paid an appropriate amount of redundancy payment to

compensate for this. Under the agreement for the closure of the former joint CSC, the District Council agreed to bear 50% of any redundancy costs incurred by WCC.

4.2 There are three strands to the Fit for the Future programme and this payment fits within the 'People' strand, ensuring that we treat staff fairly, and adhere to our policies.

4.3 At its meeting of 3rd September 2015, Members agreed that a review of the CSC should be an element of the Fit for the Future (FFF) programme. The approach advocated in that report will provide an improved customer experience whilst at the same time reducing costs. It was acknowledged that there would be a direct impact on staff but it was hoped that any adverse impact will be mitigated.

5. **Budgetary Framework**

5.1 The amount of the redundancy payment to be met by the District Council equates to £24,512 and the costs are proposed to be met from the General Fund Early Retirement Reserve budget. This reserve currently has an unallocated balance of £191,000.

5.2 The review of the CSC and new ways of managing calls have resulted in savings of over £170,000 per annum. These savings have been allowed for within the Council's Budget and Medium Term Financial Strategy.

5.3 The level of the 50% contribution to WCC's costs is in line with the estimated payments envisaged when the agreement was made.

6. **Risks**

6.1 There are legal requirements to compensate an individual if they have been made redundant. The Council has agreed to compensate WCC for 50% of these costs as they have been incurred as a result of the District Council withdrawing from the Joint CSC. If the payment is not made, then the Council is open to a legal challenge, which may result in Court action against the Council.

7. **Alternative Option(s) considered**

7.1 WCC has followed due process to reduce staffing numbers following the end of the joint CSC. In accordance with the agreement for WDC to pay 50% of the resultant redundancy costs, no alternative option other than to pay the sum should be considered.

7.2 It is possible that this Council's share of the redundancy costs could be met from another reserve, e.g., Service Transformation Reserve. However, as WDC is paying WCC rather than employing staff directly, it is appropriate for this payment to be met from the Early Retirement Reserve.