

SUBJECT:	MUTUALLY AGREED RESIGNATION SCHEME – UPDATE ON APPLICATIONS
DIRECTORATE:	CHIEF EXECUTIVE
REPORT AUTHOR:	CHIEF EXECUTIVE AND TOWN CLERK

1. Purpose of Report

- 1.1 To update Executive on the applications and initial approval of those members of staff who have applied under the Mutually Agreed Resignation Scheme (MARS).

2. Background

- 2.1 As Executive are aware, MARS is a scheme in which the employee, in agreement with the employer, chooses to leave their employment early, in return for a settlement payment.
- 2.2 The Council's MARS scheme is available to all employees, and in accordance with the scheme itself, is proactively publicised to staff as an available opportunity, in order to increase the flexibility of the organisation, and to address particular financial circumstances.

3. Applications

- 3.1 On the 9th of December 2020 the Council opened up for a limited period, an enhanced version of MARS, to run until the 4th January 2021. This limited, enhanced opportunity saw an increase in the allowance under the existing scheme, from 2 week's pay for every year of service, to 3 week's pay for every year of service.
- 3.2 The Scheme was offered in this way, to try and balance any savings that may subsequently be required under the TOFS programme and to try and avoid any compulsory redundancies that may follow.
- 3.3 Consideration was also given to the fact that the Exit Pay Regulations and subsequent LGPS changes, could ultimately see a reduction in redundancy payments to staff.
- 3.4 As per the scheme, for CMT to consider any application, regard must be given to:
- The amount of any ongoing savings required
 - Ongoing arrangements for the discharge of the employee's functions
 - Cost to the Council of the severance pay, and
 - The operational impact on the service and loss of skills and knowledge.

- 3.5 Overall CMT received 69 applications under the scheme. As per the policy all applications were considered by CMT against the aforementioned criteria.
- 3.6 It was agreed that 22 members of staff could be released under the MARS scheme.
- 3.7 Losing staff from the organisation will inevitably see a reduction/change in performance in affected areas. Whilst the above criteria has been used to assess impact on service areas, it will not negate the impact. However, it was considered by CMT to be more appropriate to work with the potential changes in standards of performance at this time, rather than to contemplate compulsory redundancies and changes to standards of performance at a later date.
- 3.8 It also worth noting, that the savings made by those applying under the MARS scheme will have a direct impact on compulsory redundancies identified elsewhere in the TOFS programme, so to that extent opening this enhanced window, has had a positive effect.

4. Organisational Impacts

- 4.1 Finance (including whole life costs where applicable)
The costs of releasing the 22 members of staff will be funded from within existing earmarked reserves, whilst the savings released will contribute to the towards financial sustainability programme.

4.2 Legal Implications including Procurement Rules

As outlined in the report

4.3 Equality, Diversity and Human Rights

There are no equality issues arising from the report, all decisions in relation to the applications were made against the required criteria as set out in the scheme.

4.4 Human Resources

As outlined in the report

5. Risk Implications

- 5.1 MARS was offered to try and address any potential redundancies as per the TOFS programme.

6. Recommendation

- 6.1 That the Executive note the content of the report

Is this a key decision?

No

Do the exempt information categories apply?

No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?

No

How many appendices does the report contain?

None

List of Background Papers:

None

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