

South Ayrshire Council

**Report by Director of Health and Social Care
to Leadership Panel
of 27 November 2018**

Subject: Voluntary Severance Costs

1. Purpose

- 1.1 The purpose of this report is to seek Panel approval to pay voluntary severance costs from the Health and Social Care Partnership (HSCP) budget in order to progress the Management Restructure agreed at Leadership Panel in September 2018.

2. Recommendation

2.1 It is recommended that the Panel:

- 2.1.1 (i) **Notes that the HSCP is forecasting a significant overspend for 2018/19.**
- (ii) **Approves additional spend by the HSCP of £141,923 in order to enable progression of the organisational change process relating to the Management restructure agreed in September 2018.**
- (iii) **Requests that the Director of Health and Social Care includes proposals to address this additional expenditure in the Recovery Plan to be presented to Integration Joint Board (IJB) on 12 December 2018 and to Leadership Panel in January 2019.**

3. Background

- 3.1 At the Leadership Panel in September 2018 proposals for a management restructure within the HSCP were agreed. The ongoing revenue implications of the restructure are cost neutral. The potential for one-off costs associated with voluntary severance were identified within the report and it was expected that the HSCP budget fund these costs.

- 3.2 Following the approval of the management restructure in September 2018 officers have been working to implement the agreed changes using the appropriate organisational change policies. Two members of staff, who were displaced through the restructure, have elected to take voluntary severance at total cost of £141,923.

- 3.3 The HSCP is forecasting a significant overspend and approval to commit any further expenditure is required to comply with the Council's financial regulations.

4. Proposals

- 4.1 Given the significant projected overspend for the HSCP, the Director is seeking authority to commit resources with the effect of increasing the overspend
- 4.2 Panel are asked to authorise additional spend by the HSCP in order to progress the changes to the management restructure agreed in September 2018. Proposals to address the additional costs will be included within the IJB Recovery Plan to be considered by the Integration Joint Board on 12 December 2018.

5. Legal and Procurement Implications

- 5.1 There are no legal implications arising from this report.
- 5.2 There are no procurement implications arising from this report.

6. Financial Implications

- 6.1 Agreement to the proposals in this report will increase the projected overspend for the HSCP by £141,923. The IJB will consider proposals for a recovery plan in December which will include proposals to address these additional costs.

7. Human Resources Implications

- 7.1 Failure to progress voluntary severance will further delay the implementation of the new structure.

8. Risk

8.1 Risk Implications of Adopting the Recommendations

- 8.1.1 There is a risk that the IJB may not approve the proposals within the recovery plan and that a balanced budget may not be achieved at 31 March 2019.

8.2 Risk Implications of Rejecting the Recommendations

- 8.2.1 Failure to progress with the severance is likely to delay the filling of posts within the new structure reducing the leadership capacity of the new team.

9. Equalities

- 9.1 The proposals in this report allow scrutiny of performance. The report does not involve proposals for policies, strategies, procedures, processes, financial decisions and activities (including service delivery), both new and at review, that affect the Council's communities and employees, therefore an equality impact assessment is not required.

10. Sustainable Development Implications

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. Options Appraisal

- 11.1 An options appraisal has not been carried out in relation to the subject matter of this report.

12. Link to Council Plan

- 12.1 The matters referred to in this report contribute to the Council strategic objective of 'Health and Care Systems that Meet Peoples Needs'.

13. Results of Consultation

- 13.1 Consultation has taken place with Councillor Dettbarn, Portfolio Holder for Adults' Health and Social Care, Councillor William Grant, Portfolio Holder for Children and Young People, Councillor Peter Henderson, Portfolio Holder for Resources and Performance and with Councillor Campbell, Leader of the Council and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Director of Health and Social Care will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Leadership Panel in the 'Council and Leadership Panel Decision Log' at each of its meetings until such time as the decision is fully implemented:

| <i>Implementation</i> | <i>Due date</i> | <i>Managed by</i> |
|------------------------------|------------------------|--------------------------|
| Preparation of Recovery Plan | 12 December 2018 | Tim Eltringham |
| Progress voluntary severance | 31 December 2018 | Billy McClean |

Background Papers **Leadership Panel Report, 18 September 2018**

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