**MHCLG consultation**

**Statutory Guidance on the making and disclosure of Special Severance Payments (SSP) by Local Authorities**

**UNISON response**

UNISON represents more than 600,000 members working in Local Authorities across the UK. Our members are at the forefront of delivering services at the same time as bearing the brunt of frequent restructuring and threats to their jobs.

UNISON believes that reasonable and fair discretionary powers to ease restructuring are an efficient way of managing change. That if operated correctly provides value for money to the provision of local services and the taxpayer.

UNISON supports discretionary powers that are unfettered, transparent in their scope, and applied consistently across the whole the work force and are equality proofed.

We would hope that Statutory Guidance should aim to achieve and strengthen these aims.

UNISON has serious concerns that as currently drafted parts of the SG are likely to result in a cumbersome procedure that will lengthen the process and could lead to needless litigation and dispute and risks unfairness especially to lower paid staff. If settlement agreements allowed within discretionary powers are to be included, it is likely to lead to an increase in tribunal cases.

Requiring professional advice every time a SSP is considered is potentially unworkable and likely to tie things up for months. requiring the Chief Executive officer to personally approve and sign off and the Leader’s approval to be required is unnecessary and does not recognise the clear delegation powers that already exist.

Looking at the Statements of Discretionary Practice that employers must complete in accordance with Regulation 60 of the LGPS regulations. We can see no evidence that the settlements for most grades are particularly generous. Most statements we have seen fetter the discretion by saying the employer will not consider them.

This is particularly true of regulation 16(2) and 16(4) shared cost AVC’s and waiving actuarial reduction on retirement regulation 30 (8), and regulation 31 (award of additional pension).

We see no basis in the guidance to support the Government’s view that discretionary payments above the statutory minimum do not usually provide good value for money. Or statements that payments in the private sector are typically less generous. Most employers in the private sector, particularly large employers provide for severance terms above the statutory minimum.

Saying the private sector is less generous will no doubt come as a surprise to our tax paying members who see headlines of CEO’s and other high paid staff getting six and even seven figure payments when they leave their company in the private sector.

The latest MHCLG data update at July 2021 shows the number of estimated exit payment packages across all local authorities has fallen from 26400 in 2104/15 to 9500. Although the average cost has increased this must represent clear evidence that the process is not over generous, and is in fact under control, with costs falling.

The wording in the SG is vague on the exact meaning of an SSP. Saying that strain payments to enhance pension and redundancy payments **may** constitute a SSP will lead to uncertainty and delays.

UNISON wants clarity and believes the Statement of Discretionary practice should allow employers to exercise their discretion in a consistent and transparent manner and should fall outside the definition of SSP. Special implies that the payment is exceptional.

The statements should not be fettered and should allow the local authorities to consider cases on their merits within firm guidelines.

In summary UNISON believes that the existing powers if exercised correctly and transparently represent value for the taxpayer and facilitate restructuring.

UNISON would want to see discretionary practice equality proofed and applied consistently over the workforce.

We do not see the need for greater involvement from the Treasury or Chief Officer in making the process lengthier and more contentious when settlements are within the discretionary powers.

We would also like confirmation that strain costs on redundancy for members over age 55 are excluded from SSP.

While there may be exceptional cases that merit special consideration employers should not be pressured into seeking to dismiss staff on grounds that will lead to litigation and dispute. Better guidance would be to see if authorities can minimise redundancy through re deployment and allowing flexible retirement.

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