

Council agree to proceed with enhanced terms to achieve staff cuts



The City of Edinburgh Council has today agreed to make what is believed to be the highest level of redundancy packages offered to public sector staff in the whole of Scotland.

The Capital Coalition lodged a motion offering enhanced terms to try and persuade more members of staff to take voluntary redundancy more quickly. They propose raising the redundancy payment multiplier to 2.7. Anyone taking Voluntary Early Release now will be offered a redundancy payment which is significantly higher than they will get from any of the other Scottish local authorities.

The Finance & Resources Committee heard today that savings targets across all headers in the transformation programme will have to be increased, and confirmed that the number of council jobs will be reduced by 2000.

The council has already announced that it must make savings of £126million made up of 'spending pressures' of £10million in Health and Social Care and £9m in Property along with a gap of £107m between projected resources and spending.

The council also want to have a provision of £15million to help offset any of their plans being derailed, so the overall figure to be found is £141m.

The council listened to deputations from Unite, UNISON and the Edinburgh TUC who expressed some heartfelt objections to any jobs being lost at the council and protestations about the threat to services which they believe this would mean.

The Chief Executive Andrew Kerr was emphatic that redundancies are necessary to ensure that the council can balance its books.

While he admitted that some services will be affected, he explained it is perhaps more accurate to say they will be done differently in the future. He mentioned his visit to the Wester Hailes Healthy Living Centre earlier in the week which he held up as a stellar example of integration between the council and the NHS, and a model for the future.

The council's HR director confirmed the average multiplier across the public sector is around 2 weeks of pay per year of service. The number of weeks service is then multiplied by the chosen figure to calculate the redundancy payment being offered to individual members of staff.

As at today 1285 members of Edinburgh council staff have expressed an interest in taking voluntary redundancy. Officers explained that by 26 November the council hope to issue a formal letter to these staff and then the process should be complete by 31 December 2015.

The council's Chief Executive confirmed that while the number of staff who will have to leave is something which affects the budget process and also service delivery, that all of these factors are being taken into account.

He also explained that the draft Localities model, which will change the way council delivers its services based on geography, will show what the council will look like in future, but this basic framework is adaptable and may be different in each community.

When asked by Councillor Walker about claims by unions that the process has been conducted in an aggressive fashion, he said that he was disappointed by these claims and did not agree with them.

The Chief Executive continued that while he was happy to sit down and discuss any alternatives to redundancies with unions or others, he is not aware of any so far which will offer as much in the way of saving as the Transformation programme will.

The council's Transformation Programme is aimed at delivering a leaner more agile organisation. It will be based on four locality models and the council say that it will focus on customers and communities.

The Finance convener Councillor Alasdair Rankin introduced the Capital Coalition motion which set out enhanced severance terms by saying that the council has to balance the delivery of services with the responsibilities of being a good employer. He repeated that compulsory redundancy is 'very much a last resort'. and Vice-Convener Councillor Bill Cook confirmed that the coalition has scrutinised the finances in detail.

Two Conservative councillors, Jackson and Mowat, opposed the Capital Coalition alternative and urged that the council officers' recommendations be passed instead which would have meant lower sums being paid to those who leave the organisation. This was roundly defeated as only these two councillors supported that stance.

Councillor Corbett confirmed the Green Group's view that the council's original report did not contain sufficient evidence for the council to backtrack on its pledge on compulsory redundancies.

The cost of paying off staff is estimated at around £70million over 15 months in the original council report, but now that the enhanced severance terms are agreed, it will undoubtedly cost more than that.