



Glasgow City Council

City Administration Committee

Report by Director of Communication and Corporate Governance

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Item 4

8th May 2025

REVIEW OF ARRANGEMENTS FOR CHIEF OFFICER DEPARTURES

Purpose of Report:

To inform committee of the review of arrangements for the departure of senior officers.

Recommendations:

Committee is asked to note the report, agree proposed changes in section 6 and agree to refer the proposed changes to the Scheme of Delegated Functions and Committee Terms of Reference to Full Council.

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

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1. Introduction

- 1.1 Members will be aware that the council has commissioned an independent review of senior officers' exit payments. This followed the departure of a number of senior officers between 2021 and 2024.
- 1.2 The review was considered by FASC on [11th March 2025](#).
- 1.3 FASC agreed the following:
 - (i) the findings of the independent review, including the Investigatory Report by Brodies LLP, detailed in Appendix 2 and the Opinion of Senior Counsel, detailed in Appendix 3;
 - (ii) that a comprehensive internal review of the Council's governance arrangements relating to workforce and service reform activity was being undertaken, taking into account the findings and recommendations arising from this independent review and any recommendations put forward by the Council's external auditor; and
 - (iii) that reports would be submitted to future meetings of this committee, the Wellbeing, Equalities, Communities, Culture and Engagement City Policy Committee, and the City Administration Committee on the outcome of the internal review of the Council's governance arrangements, which would include setting out any proposed changes to the Council's Scheme of Delegated Functions; and
 - (b) instructed the Head of Audit and Inspection to provide regular updates to this committee on management's progress in implementing any agreed actions as a consequence of the review.
- 1.4 This report was considered by WECCE on April 17th.
- 1.5 WECCE agreed the following:

...to note the report and agree to refer the proposed changes in section 6 to the City Administration Committee for approval.
- 1.6 Members of WECCE asked officers to consider inserting a "decision tree" into the report to set out in graphical form how decisions would be made, as an aid to understanding the changes proposed. It has not been possible to create a graphical aid which is not in itself either complex or incomplete.
- 1.7 The purpose of this report is to:
 - Propose new governance arrangements for the agreement of early retirement and voluntary redundancy for senior officers.
 - Consider current operational arrangements for the oversight of workforce reform and propose new operational arrangements.

2. Current approach

2.1 Early retirement/Voluntary redundancy

2.1.1 Glasgow City Council does not use compulsory redundancy to manage the size of our workforce. If the council wishes to reduce the size of its workforce, or significantly reform a service such that there will be a reduction in headcount, one of the mechanisms which it may deploy is to enhance the terms on which an employee would leave to ensure voluntary departures

2.1.2 These enhancements fall into two categories

- A payment in respect of redundancy.
- Early access to the employee's pension with no actuarial reduction

2.1.3 The Council currently exercises the following discretionary arrangements which were approved by [CAC in 2020](#):

- Early Retirement – Redundancy (ER – R)
For eligible employees, generally aged above 55, who are in the Local Government Pension Scheme and made redundant.

No actuarial reduction is applied to the leaver's pension and they receive a Redundancy payment.

This arrangement incurs a cost to the council of 'cost of strain' of early payment of pension together with a redundancy lump sum. Cost of strain refers to the additional cost incurred by the pension fund, which is reimbursed by the council.

- Early Retirement – Efficiency (ER – E)
For eligible employees, generally aged above 55, who are in the Local Government Pension Scheme and are leaving for reasons of organisational efficiency.

No actuarial reduction is applied to the leaver's pension and they receive no redundancy payment.

This arrangement incurs a cost to the council of 'cost of strain' of early payment of pension.

- Voluntary Redundancy (VR)
For employees not in the LGPS or who do not meet the age criteria for Early Retirement, exit arrangements defer their pension payment where applicable and they receive a Redundancy payment at a higher rate than those who qualify for Early Retirement – Redundancy.

This arrangement incurs a cost to the council of redundancy lump sum.

2.1.4 The Council also operates a Flexible Retirement scheme and this is outside the scope of this paper.

2.2 Scheme of Delegated Functions

- 2.2.1 The Council's Scheme of Delegated Functions delegates the approval of Early Retirement or redundancy arrangements for employees below grade 12 to the relevant Executive Director, subject to the approval of the Executive Director of Financial Services and the Head of Human Resources (General Delegations number 4 and 6).
- 2.2.2 Early retirement or redundancy for chief officials (Grade 12 and above), requires the Chief Executive's authorisation (Chief Executive's delegation number 5).
- 2.2.3 The scheme of delegated functions also requires that "Major departmental restructurings or staffing reviews" be reported to CAC for approval (General delegation number 4). The scheme of delegations also includes a number of qualifications including qualification number 4 which obliges an officer "where he/she considers that a matter may be politically controversial even although it has been specifically delegated to him/her, to consult with the appropriate City Convener. If, after consultation, the officer determines that the matter is politically controversial, it must be referred to committee, as appropriate, for approval."
- 2.2.4 Each exit under these terms requires to be supported by a business case which either individually or as a linked employee group meets the 2-year pay back criteria as outlined in the 2020 CAC paper, i.e. the Cost of Strain on the pension fund plus any redundancy payment cost should be 'overtaken' by the associated reduction in employment costs within a two year period.
- 2.2.5 An Audit Scotland report from July 2010 on the management of redundancy and early retirement in Glasgow City Council noted that elected members were involved in approving service reform, but not directly in authorising the early departure of senior officers. This created a risk that members were not able to discuss and agree potentially contentious retirement/redundancy decisions prior to their approval.
- 2.2.6 A FASC report of September 2010 provided the management response that Members had approved the council's policy, and any senior officer redundancy / retirement costs conformed to this policy and were reported as appropriate, and that in future Members would be made aware of redundancy and recruitment costs associated with senior officers. This has been reported retrospectively to FASC since that point. The Audit Scotland and FASC reports are available [here](#).

3 Shortcomings in current approach

- 3.1 The independent review highlighted a number of shortcomings in our current approach:
- There is no explicit mechanism to approve arrangements relating to the Chief Executive.
 - Members are not asked to approve arrangements relating to chief officials. This can lead to an "appearance of conflict of interest".

- There is no process to routinely make electronic records of decisions relating to the departure of senior officers where the decision is taken under the scheme of delegations.

4 Proposed new governance arrangements

4.1 Chief Officials

- Amend the committee terms of reference to rename “Appointment of Senior Officers Committee” as “Senior Officer Workforce Committee”.
- Amend the committee terms of reference for the appointment of senior officers committee to:

“1. Appointment of all officers of grade 12 and above.

“2. Approval of proposals involving early retirement or redundancy of officers of grade 12 and above.”
- Amend the scheme of delegations to be clear that “Chief Officials” refers to all officers of grade 12 and above. This includes the Chief Executive.
- Amend Chief Executive delegation number 5 to “To recommend proposals for early retiral and voluntary severance of chief officials, other than the Chief Executive themselves, to the Appointment of Senior Officers Committee”
- It is proposed below at 4.5.8 that the council establish a Corporate Workforce Planning Board, which would be complementary to existing departmental workforce planning boards. Any recommendation that the Chief Executive receive any exit payment in the gift of the council would be made to the Appointment of Senior Officers Committee or CAC by the chair of that board and subject to the consideration of the Executive Director of Finance, the Head of HR and the Director of Legal and Administration.

4.2 Other staff

The current arrangements provide both financial and HR scrutiny. The Director of Legal and Administration should also be required to scrutinise such exit packages.

4.3 Officers with approval role

- 4.3.1 All officers involved in the approval process will be subject to additional arrangements - these are the Chief Executive, the Executive Director Financial Services, the Head of HR and the Director of Legal and Administration.
- 4.3.2 As well as being considered by the Corporate Workforce Planning Board before being recommended to CAC or the Appointment of Senior Officers

Committee, proposals relating to these officers will require additional written advice from the Director of Financial and Business Services and the Director of Communication and Governance.

- 4.3.3 In addition it will generally not be acceptable for officers to design or approve service reform which requires or could require them to be made redundant or to retire early. This will be monitored by the proposed Corporate Workforce Board.

4.4 Monitoring

- 4.4.1 At present the Early Retirement activity under these exit categories is reported and monitored retrospectively by the Finance and Audit Scrutiny Committee. Frequency of the reporting is dependent on the volume of activity and it is recommended that this be conducted at least quarterly regardless of level of activity. Additionally, the format and content of this report should be reviewed to ensure that it provides comprehensive information to Committee on the costings and benefits associated with the departures, whilst maintaining appropriate confidentiality for individuals.
- 4.4.2 Additionally, all costs associated with ERVR decisions are included in the Council's Annual Accounts under regulation, specifically in the Remuneration Report. As such, they are subject to external audit.

4.5 Mechanisms to support workforce reform

4.5.1 Current arrangements

- 4.5.2 In April 2019 a corporate Workforce Planning Board was introduced with members consisting of Executive Directors of FS (chair), ES and LES and the Head of HR. The remit included approving any services reforms, variations to workforce plans and the governance of the application of Pension Discretions. Workforce Plans were not defined precisely or uniformly across services. This Board was asked to consider the majority of recruitment requests and minor service restructures which led to significant senior officer resource considering minor and non-material issues.
- 4.5.3 In June 2020 a CAC report 'Introduction of Mechanisms to Support Workforce Reforms' was agreed which set out the approach to facilitating workforce reductions to support budget savings. This referenced the central Workforce Board as part of the arrangements.

In December 2020 it was determined that this Board should be dissolved and Service Workforce Planning Boards were well placed to exercise control over their workforce matters and associated planning and budgets. This shifted the governance of service reforms to Service level and removed corporate overview and control of these changes, whilst retaining the Delegated Authority for pension discretions at a central level.

- 4.5.4 Service workforce boards are operating effectively to support budget control and compliance with HR policies. Both Service HR and Service Finance management input on decisions at a Service level, and a focus on achieving best value decisions is clearly incentivised by budget targets. It is however unclear as to whether any Finance or HR concerns are escalated to a corporate level.
- 4.5.5 There remains an expectation in many areas of the council that opportunities for enhanced early retirement will routinely arise. While service reform or savings requirements may lead to staff being offered enhanced terms we need to move away from any sense that this is an entitlement.
- 4.5.6 It is therefore vitally important to ensure that service reform initiatives which include a dependency on staff leaving on enhanced terms are properly scrutinised to ensure that the enhanced terms are incidental to the reform, or underpin the reform, rather than the opposite; that the reform is designed to allow staff to leave on enhanced terms.
- 4.5.7 A Corporate Workforce Board will be established. This will be complementary to service level Workforce Planning Boards, which will continue.
- 4.5.8 Detailed terms of reference will be developed. These will include:
- Ensuring consistency of approach across the council
 - Scrutiny of major reform proposals before submission to CAC
 - Scrutiny of proposals which would lead to Chief Officials retiring early or being made redundant, but which are not major reform proposals, before submission to Appointment of senior officers committee.
 - Additional scrutiny of proposals which could be seen to benefit individuals or groups of individuals to give protection to those individuals and the council from a perception of vested interest or conflict of interest.
 - Guidance on the criteria to be considered when determining which service reforms require to be considered by Committee

5. Additional related issues

- 5.1 From time to time the Council enters into Settlement Agreements with individual employees to resolve exceptional circumstances, with advice from senior HR and Employment Law officers. By their nature, these agreements are confidential (disclosed only where payments fall into the category of those required to be reported for senior staff in the Finance annual report). No recommended changes are suggested to these arrangements which are an essential option to minimise council risk of greater liability.
- 5.2 All staff, including senior staff may be eligible for medical retirement. It is not proposed to alter these arrangements.
- 5.3 It is also recommended that a wider review of the scheme of delegations is undertaken to ensure that it continues to allow for decisions to be taken at the most appropriate level, is sufficiently flexible to enable the effective and

efficient delivery of services, is clear in its terms and allows for sufficient accountability and oversight of decision making across council services, with political oversight for the review being carried out through discussions at the council's Business Bureau.

- 5.4 It is recommended that training is developed and provided to all officers who have authority delegated to them under the scheme of delegations. The training should also be available to all members of the council.

6 Summary of proposed changes

- 6.1 Amend the committee terms of reference to rename "Appointment of Senior Officers Committee" as "Senior Officer Workforce Committee".

- 6.2 Amend the committee terms of reference for the appointment of senior officers committee to:

"1. Appointment of all officers of grade 12 and above.

"2. Approval of proposals involving early retirement or redundancy of officers of grade 12 and above."

Amend the scheme of delegations to be clear that "Chief Officials" refers to all officers of grade 12 and above.

- 6.3 Amend Chief Executive delegation number 5 to "To recommend proposals for early retiral and voluntary severance of chief officials, other than the chief executive themselves, to the Appointment of Senior Officers Committee. Where this relates to Chief Officials involved in the approval of early retirement and voluntary redundancy (Executive Director of Financial Services and the Director of Legal and Administration) this is subject to additional approval from the Director of Financial and Business Services and the Director of Communication and Governance"
- 6.4 Amend the Scheme of Delegations to delegate "To recommend proposals for early retiral and voluntary severance for the chief executive to the Appointment of Senior Officers Committee" to the chair of the Corporate Workforce Planning Board.
- 6.6 Amend general Delegation 4 to "To make changes to staffing structures, numbers and gradings in accordance with approved pay, grading and rewards arrangements, and subject to the approval of the Head of Human Resources, the Executive Director of Finance and the Director of Legal and Administration; and where the change relates to the Head of HR subject to the approval of the Executive Director of Finance and the Director of Communication and Governance..."
- 6.7 Amend General Delegation 6 (c) to "To take any decisions necessary regarding employment, retirement, dismissal and training of staff, in terms of the Council's appropriate Schemes of Conditions of Service, subject, where

appropriate, to consultation with the Head of Human Resources, the Executive Director of Finance and the Director of Legal and Administration; and where the change relates to the Head of HR subject to the approval of the Executive Director of Finance and the Director of Communication and Governance”

- 6.8 Amend FASC’s workplan to include quarterly reporting of early retirement activity.
- 6.9 Instruct the Director of Communication and Governance to establish a Corporate Workforce Board as set out in 4.5.7 and 4.5.8
- 6.10 Instruct the Director of Legal and Administration to undertake a comprehensive review of the council’s Scheme of Delegations and that a report on any proposed changes resulting from that review is taken to the City Administration Committee and Council.
- 6.11 Instruct the Director of Legal and Administration to develop and deliver training on the scheme of delegations to all officers who have authority delegated to them by the scheme. This training should also be made available to members.

7. Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	No new financial implications.
<i>Legal:</i>	The report responds to the legal implications of an investigation procured by the council. There are no new legal implications, however members should familiarise themselves with the terms of the advice issued by the Director of Legal and Administration.
<i>Personnel:</i>	No new personnel implications
<i>Procurement:</i>	No procurement implications
Council Strategic Plan:	4. Enable staff to deliver essential services in a sustainable, innovative and efficient way for our communities

Equality and Socio-Economic Impacts:

Does the proposal support the Council’s Equality Outcomes

2021-25? Please specify.

What are the potential equality impacts as a result of this report?

No significant impact. This clarifies the implementation of the council's workforce policies rather than changing the policies themselves.

Please highlight if the policy/proposal will help address socio-economic disadvantage.

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify:

No

What are the potential climate impacts as a result of this proposal?

None

Will the proposal contribute to Glasgow's net zero carbon target?

No

Privacy and Data Protection Impacts:

Are there any potential data protection impacts as a result of this report
Y/N

Yes. Members should familiarise themselves with the terms of the advice issued by the Director of Legal and Administration.

If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out

Yes

8 Recommendations

Committee is asked to note the report, agree proposed changes in section 6 and agree to refer the proposed changes to the Scheme of Delegated Functions and Committee Terms of Reference to Full Council.