

## VOLUNTARY SEVERANCE SCHEME

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| <b>Version:</b>            | <b>Version 1- Draft 3 – August 2014</b>  |
| <b>Scheme Ratified by:</b> | <b>Human Resources</b>   |
| <b>Date:</b>               | <b>January 2015</b>  |
| <b>Area Applicable:</b>    | <b>All Caerphilly Employees except school based employees unless the School Governing Body has adopted the Scheme.</b> |
| <b>Review Year</b>         | <b>2016</b>  |
| <b>Impact Assessed</b>     | <b>Yes</b>   |

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### NOTE

*WHEREVER THE DESIGNATION MANAGER IS USED THROUGHOUT THIS PROCEDURE, IT IS TAKEN TO MEAN HEAD OF SERVICE, LINE MANAGER, SUPERVISOR, OFFICER IN CHARGE, HEAD TEACHER OR ANYONE WHO HAS SUPERVISORY RESPONSIBILITY.*

## **INTRODUCTION**

1. Caerphilly County Borough Council is committed to providing its employees with more choice and flexibility with regard to whether they wish to stay in work. Personal circumstances will differ, and there may be occasions where employees in areas affected by the need to downsize the workforce may wish to access voluntary severance opportunities.
2. The Council recognises that retaining a well-trained, well motivated and flexible workforce, with a wide range of skills and experience is essential to the provision of quality services. This will be a difficult balancing act when considering the staffing implications flowing from the Council's Medium Term Financial Plan.
3. A Voluntary Severance Scheme will allow the Council to offer employees, whose areas are affected by the need to downsize, a greater flexibility of options.

## **SCOPE OF THE SCHEME**

4. This Scheme applies to all employees except those school based support/teaching staff for whom the Governing Body sets the local terms and conditions of employment.
5. The Council's recognised trade unions have been consulted on the Scheme.
6. The effective date of this scheme is ?? 2014. The Scheme and guidelines will be used to deal with all voluntary severance situations after this date.

## **GUIDING PRINCIPLES**

7. When Service Areas are required to downsize their workforce, an individual employee or groups of employees may be identified as being at risk. Those employees would then fall under the Redeployment Policy, and all reasonable efforts will be made by the Council to redeploy the affected employee(s) into suitable alternative employment within the Council.
8. Whilst this process supports employees, and has historically been effective in securing alternative employment, this is not achievable in all cases. It is also recognised that the volumes of employees requiring the support of the Redeployment Policy, are anticipated to grow as a consequence of the requirements of the Medium Term Financial Plan. This in turn is likely to place this ability to successfully secure alternative employment, under further pressure.
9. A period of time in the redeployment period may be stressful, and place added pressures on the employee and us as the employer. Employees for

a whole host of personal reasons, may not wish to be placed in a position where they are in the redeployment pool. As a personal choice, they may prefer to access the Voluntary Severance Scheme, and leave our employment.

10. Where a Service Area has to downsize some individuals may not be directly at risk. However, for personal reasons they may volunteer to leave via a voluntary severance arrangement, allowing for the employee identified as at risk to be redeployed into their post, if they are deemed to be a suitable match. In addition, prior to identifying the actual detail of the individuals effected (particularly where this will cover larger employee groups rather than an individual post), Managers may wish to explore whether there are employees who would wish to volunteer. This may assist in reducing the timelines involved, and alleviate issues with concerned members of staff.
11. Heads of Service are required to draw up a Business Case to demonstrate that the Service Area is able to accommodate the voluntary severance request both operationally and financially. The business case should include the financial details of the severance payment and the benefit to the Service Area. The employee's termination date will be agreed as part of the business case process. The Business Case should be counter signed by the relevant Director.
12. Viable voluntary severance business cases would be considered as an alternative to the need for compulsory redundancies in a Service Area. This means that applicants who apply to access voluntary severance could be cross-matched against those at risk. If the business case is not viable for the Service Area, it may be possible to facilitate a voluntary severance arrangement by cross matching to a post within another Service Area.
13. There is no automatic right for an employee's request for voluntary severance to be agreed.
14. Heads of Service should contact their HR Business Partner Team to discuss any applications for voluntary severance that they receive. This is especially important where an application cannot be supported. In this case, Heads of Service should seek advice, prior to notifying the employee that the application cannot be supported, to ensure that the case has been reasonably considered and all alternatives have been explored. When an application is not supported, employees must be given written reasons as to why the application cannot be accommodated by the relevant Manager/Head of Service.

15. The value of individual severance payments will differ depending on the employee's length of service. However the means of calculating the severance payment will be consistent. The severance payment will be the equivalent of 60% at their current gross salary level. This payment will currently be capped at the top of HAY Grade C.
16. Managers should be mindful of their obligations under Equalities legislation and in particular the requirement not to discriminate or treat employees differently on the grounds of age.

#### **INTERPRETATION OF THE SCHEME**

17. In the event of a dispute relating to the interpretation of this scheme the Head of Workforce and Organisation Development or the Human Resources Service Manager will make the final decision on interpretation.

#### **REVIEW OF THE SCHEME**

18. A review of this scheme and procedure will take place when appropriate. Any amendments will be consulted on with all the relevant parties. However, in the case of amendments relating to legislative requirements, the scheme will be amended and reissued.

**JANUARY 2015**