
Report To:	Policy and Resources Committee	Date:	25 March 2025
Report By:	Head of OD, Policy and Communications	Report No:	PR/09/25/RB/MR
Contact Officer:	Morna Rae	Contact No:	01475 712042
Subject:	Reverting to Standard Policy for Voluntary Severance and Redeployment Arrangements and Update on Voluntary Severance Scheme Releases		

1.0 PURPOSE AND SUMMARY

1.1 For Decision For Information/Noting

1.2 The purpose of this report is to confirm that there will be a reversion to the standard policy for Voluntary Severance and Redeployment arrangements following a period of temporary enhancement. It also updates the Committee on the position of releases that have been agreed under the Council's Voluntary Severance Scheme since the previous report to Committee.

2.0 RECOMMENDATION

2.1 It is recommended that the Policy and Resources Committee

1. notes that the temporary enhancements to the Voluntary Severance and Redeployment arrangements applicable to savings within the 2024-26 Budget will cease and that the standard policy will be implemented in relation to any savings realised or employee released after 31 March 2026, and
2. notes the agreement to release 15 employees under the Council's Voluntary Severance scheme as per Appendix 1.

Ruth Binks

Corporate Director - Education, Communities and Organisational Development

3.0 BACKGROUND AND CONTEXT

Reverting to Standard Policy for Voluntary Severance and Redeployment Arrangements

- 3.1 In order to attract interest in voluntary severance and the consequent delivery of savings the Inverclyde Council agreed a temporary enhancement to the Voluntary Severance and Redeployment arrangements at their meeting on 1 February 2024.
- 3.2 These were agreed only in relation to employees displaced as a result of the 2024-26 Budget process, including workstreams. The changes in policy do not apply to any other employees and it was agreed that this should revert following this Budget process.
- 3.3 The temporary enhancements are:
- Extension of redeployment period from 12 weeks to 6 months,
 - Extension in length of pay protection from one to two years and
 - Enhancement to voluntary severance scheme in terms of added weeks/years (as detailed in the table below)

Group 1	Weekly Pay Used to Calculate Redundancy Payment	Redundancy Table Used	Access to a Pension	Added Years to Redundancy
Under 50 years of age Non members and members of pension scheme OR Over 50 years of age non members of pension scheme OR Over 50 years of age < 2 years membership of pension scheme	Average weekly	Standard = Up to 66 weeks Enhanced = Up to 90 weeks	N/A	N/A
Group 2	Weekly Pay Used to Calculate Redundancy Payment	Redundancy Table Used	Access to a Pension	Added Years to Redundancy
Over 55 years of age > 2 years membership of pension scheme OR Over 50 years of age > 2 years membership of	Average weekly	Up to 30 week table	Yes	Standard = Up to 3 added years

pension scheme at 6 April 2006				Enhanced = Up to 6 added years
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3.4 These enhancements will remain available to any employee savings realised up to 31 March 2026. Thereafter the standard policy will apply. The standard policy includes a redeployment period of 12 weeks, one year's pay protection and the standard table used for redundancy payments and added years towards the employee's pension.

Update on Voluntary Severance Scheme Releases

3.5 This report updates the Committee on the position of releases that have been agreed under the Council's Voluntary Severance Policy over the period 2024/25. The number of early releases agreed over this period together with the associated costs and savings are detailed Appendix 1. The release of employees is subject to the Council's agreed Value for Money criteria of a return of costs within a 3-year period and this has been applied in all cases before an employee is granted release under the Council's Voluntary Severance Scheme.

4.0 PROPOSALS

4.1 It is recommended that the Policy and Resources Committee notes:

- the temporary enhancements to the Voluntary Severance and Redeployment arrangements applicable to savings within the 2024-26 Budget will cease and that the standard policy will be implemented in relation to any savings realised or employee released after 31 March 2026, and
- the agreement to release 15 employees under the Council's Voluntary Severance scheme as per Appendix 1.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk		X
Human Resources	X	
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing	X	
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

An allowance of £0.5million was allocated within the Budget Delivery earmarked reserve to meet extra costs arising from the enhancements. These additional costs will not be incurred in relation to employees released after 31 March 2026.

As outlined in Appendix 1 the total cost is £741,228.25, the total net saving is £437,123.91 and payback period is 1.7 years. Due to the enhanced terms during 2024/25, the payback period

has increased as anticipated from prior years. During 2020/22 period, the payback was 1.3 years and 2023/24, 1.13 years compared to 1.7 years for 2024/25.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Earmarked Reserve	Voluntary Severance	2024/26	£0.741m	N/A	Balance remaining on EMR will be £2.386m, this is after £1.2m added to reserve March 2024.

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Pensions	Added Years	April 2025	£0.011m	N/A	Costs as a result of annual budget savings exercise.
Various	Employee Costs	April 2025	(£0.437m)	N/A	

5.3 Legal/Risk

There are no legal/risk implications arising from this report.

5.4 Human Resources

The human resource implications are detailed in the body of the report.

5.5 Strategic

The matters referred to in this report are of relevance to the following Council Plan 2023/28 Theme:

Theme 3: Performance

- High quality and innovative services are provided, giving value for money
- Our employees are supported and developed.

6.0 CONSULTATION

6.1 Trade Unions via the Joint Budget Group have been consulted on this proposal and agree with the action proposed.

7.0 BACKGROUND PAPERS

7.1 None.