

Voluntary Severance

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Approved by Leadership Team / Employment Committee

Classification: SEC1 - Routine

Document Location

This document is held by Lichfield District Council, and the document owner is the Head of Paid Service.

Revision History

Revision Date	Version Control	Summary of changes
09.05.2022	01.01.01	Draft for consultation
23.05.2022	01.01.02	Draft for approval at LT
25.05.2022	01.01.03	Final Amends for advice
27.05.2022	01.01.04	Draft for Employment Cte

Approvals Creation and Major Change

Name	Approved
Leadership Team	25.5.22

Approvals Minor Change and Scheduled Review

Name	Approved

Approval Path

Major Change

Christie Tims
ELG
Leadership Team /HOPS
Employment Committee

Action

Sponsor
Consultative Group
Corporate Approval
Council Approval

Minor Change

ELG
Chief Operating Officer

Action

Consultative Group
Delegated Approval

Document Review Plans

This document is subject to review for each scheme and is time bound to the review in question. Updates shall be made in accordance with business requirements, employment legislation and changes and will be with agreement with the document owner. Where this document is subject to a major change the Employment Liaison Group (ELG) are consulted as an advisory body.

Distribution

The document will be issued on an individual basis and not for general distribution.

Security Classification

This document is classified as SEC 1 Routine with access restricted to Lichfield District Council Staff.

Policy

1. Introduction

Lichfield District Council is looking at ways to fundamentally redesign our structures and change the relationship we have with our customers as part of Being a Better Council. Our new Target Operating Model will change the nature of our work within the new structures and we are seeking volunteers who do not wish to be part of our new organisation to apply for voluntary severance. This Voluntary Severance (VS) Scheme enables individuals (within scope) to consider if the time is right for them to move on and explore new opportunities, if doing so meets their personal circumstances and the ongoing needs of the organization. These exits will provide opportunities to change and reshape services and provide for employees who wish to remain working at LDC to have opportunities in new roles.

2. Policy Outcomes

The aims of this policy are to:

- generate the largest financial savings with the minimum impact on front-facing services
- to provide scope to achieve ongoing revenue savings to support our MTFS
- contribute to the future sustainability of the organisation
- avoid any compulsory redundancies
- to allow the release of employees to make a cost saving, to restructure and/or to re-organise within budget
- resolve current interim arrangements and vacancies
- transition the organisation to meet future challenges
- provide a fair, consistent and transparent process

3. Employees within Scope

Key services have been excluded from the scope of this policy. These include:

- Statutory Officers (HOPS, S151 Officer and Monitoring Officer)
- Joint Waste Service
- Operational Services including street cleansing and parks teams
- Building Control and Land Charges Shared Service
- Health & Safety Shared Service

All other service areas will be considered, subject to assessment of a business case.

Individuals who have already given notice of their retirement or resignation from the council or are on notice for any other reason will **not** be permitted to make an application for consideration under this scheme.

Employees in the excluded areas listed in section 3 or those with less than 2 years' local government service should not apply.

4. Criteria for approval

The scheme is voluntary and will require employees seeking to leave to consider how their role can be carried out differently and, where practicable, facilitate development of new processes or transfer of knowledge and skills to enable their departure.

All applications for consideration will clearly need to demonstrate:

- How the duties and functions undertaken by the role can be delivered differently
- Transferable skills that exist elsewhere in the organisation (including essential qualifications required)
- Current market conditions for recruitment of replacement skills.
- Impact on:
 - statutory functions (not service)
 - key strategic aims/ objectives
 - other functions and processes
 - other members of the team

5. Specific Clauses

- Exit date from the authority will be determined by transfer of key skills/ duties etc – this could be up to 12 months from the date of acceptance.
- In some limited cases, this release date may also be determined by successful recruitment or replacement skills/roles being appointed.
- Legal fees towards payment of the Settlement Agreement will be £450 maximum
- Payment for outstanding leave will be payable for up to a maximum of 10 days.

6. Calculation of the Severance Payment

The Severance payment will be calculated using the same age bands as statutory redundancy pay in order to determine the number of weeks' pay on the basis of:

- 0.5 weeks' pay for each full year worked when you are under 22
- 1 weeks' pay for each full year worked when you are between 22 and under 41
- 1.5 weeks' pay for each full year worked when you are 41 or older

A ready reckoner is available at to allow you to calculate your severance pay at statutory weeks, there is no multiplier applied to this offer. You will find details of your annual salary on your myview account.

The years worked are completed years of local government continuous service. Voluntary severance pay is based on the actual amount of a week's basic pay.

Payments up to £30,000 are not subject to deductions for tax and national insurance.

7. Process

All applications for voluntary severance will be assessed using the expression of interest form below.

The overall process of assessing requests under the scheme will be considered by Employment Committee, with individual applications approved by the VS committee, comprised of Leadership Team members and finance/ HR team representatives. Input will be sought from line managers or specialists from your service area.

8. Financial Implications

At this stage financial implications are unable to be detailed as the 'take up' of the Voluntary Severance scheme is, by its very nature difficult to predict. However, as detailed in paragraph 5 above VS will not be granted unless the business case clearly demonstrates how key skills/duties can be covered and that a payback will be achieved within a 2 year period or earlier. *[Note: The criteria will be weighted to benefit those applicants where the payback period is sooner or significant changes can be made to the service area as a result].*

Employees over 55 (but under their statutory retirement age) should note that actuarial information will need to be provided by the pension fund to fully cost their exit package.

9. National Insurance Contributions

Employers NIC's are due on those payments above £30,000.

10. Legal Implications and Relationship to other Policies

Payments must be treated correctly for Tax and NI purposes (especially PILON if this is applicable).

All Severance payments will be paid via a Settlement Agreement. If any of the payment is taxable then the payment will need to be paid through the payroll so the tax can be accounted for via RTI correctly. This will provide protection for the employer against any future claim(s).

The impact assessment will need to establish if this approach is a proportionate means of achieving a legitimate aim, as the test of reasonableness. This will need to be reviewed during the implementation phase to ensure the aims and objectives set out in this policy are achieved.

VS PROCESS - EXPRESSION OF INTEREST

For Completion by Employee

Full Name	
Job Title & Service Area	
Date of birth	
Line Manager	
Gross annual salary	
Local Government Continuous Start Date	

Please attach a copy of your current job description & person specification (if available) no later than **5pm, 27 June 2022**

I understand at this stage this is an expression of interest and I am not obligated to take this interest any further.

Signed..... (email signature via confirmed address acceptable)

Date.....

Please return to : BABC@lichfield.gov.uk

Business Case Key Questions

To be completed in consultation with employee and line manager

What will be the effect on service delivery of this request?

What is the impact to customers (internal and external)	
Key tasks, current volumes and proportion of time spent <i>Apply MoSCoW ratings to each process.</i>	
Key Performance Indicators & Objectives	
How could this service/ role be delivered differently? E.g. shared service, buy skills in, operate at different times.	
What is the potential timescale for this delivery?	

Keys skills (of the volunteer employee)

Skills	
Knowledge/Qualifications	
Specialist subject	
Unique skills that cannot be / are not covered elsewhere	
Frequency of use of these skills	
Where can we grow / develop these skills?	
Where / how can we buy these skills?	

Cost of backfill/cover for Key skills

Current salary and any relevant allowances	
Backfill costs (if any for key skills)	
Business Continuity issues e.g. on call, forward control officer, rest centre or CCU participant.	
Other costs	

Impact on other team members

What will be the impact on team members if this request were approved?	
Have other members of the team requested options?	
Will approving this option prevent others from receiving their request?	

Comments from team manager(s)

I / we support do / do not support this application (please delete as appropriate)
The reasons for the decision are:

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Other considerations

Signed _____ Date _____

Print full name _____ Position _____

Signed Manager _____ Date _____