

PORTSMOUTH CITY COUNCIL – not applicable to schools staff

In exchange for Trade Union agreement to a 2-year increment freeze the council will implement a Voluntary Severance scheme.

VOLUNTARY SEVERANCE SCHEME PRINCIPLES

The Voluntary Severance Scheme should be read in conjunction with the City Council's Organisational Change and Redundancy Policy. This scheme does not apply to schools staff.

In the context of that Policy, Voluntary Severance is where the resignation is entirely voluntary. It is based on an individual being willing to volunteer to resign from the Council on severance terms when they are offered by the Council and are compatible with the business requirements at the time of the scheme operating.

At the time of operating a voluntary severance scheme, detailed information on pensions will be available based on pension regulations in force at that time. Employees will be advised to consider any impact on their pension.

The following principles will apply

- The scheme may be confined to specific parts of the Council and/or to certain categories or employees or may be operated more generally.
- Prior to introducing any voluntary severance scheme the Council will consult with the appropriate unions.
- The operation of a voluntary severance scheme can only be authorised by supported by a business case.

In operation of a voluntary severance scheme the following must be complied with:

- The business case must be in the clear management interest of the Council and its strategic aims.
- The case should represent the best value for money that can be achieved in the light of the particular circumstances that prevail. In particular, it must be safe to assume the employee would not otherwise terminate their employment without the proposed financial settlement or enhancement.
- The business case must comply with all relevant Council policy and legal requirements. In particular, the proposal presented must be voluntarily accepted by the individual employee.
- Responses to the invitation to apply for voluntary severance will be considered by in the light of the Council's operational and strategic requirements. The decision to allow voluntary severance is at the discretion of Applications may or may not be approved.

DISCUSSION DOCUMENT SUBJECT TO NEGOTIATION AND EC APPROVAL

- There is no right of appeal; however employees are entitled to feedback on the reason for the decision why their application was rejected.
- Under a voluntary severance scheme, termination of employment will be treated as a resignation.

In exchange for Trade Union agreement to a 2-year increment freeze the scheme on offer:

- Will be open for 2 months from 1 January 2012 to 29 February 2012
- The maximum cost of severance will be based on:
 -X.....of a week's pay for each complete year of continuous Local Government Service, for staff aged 21 years and under
 -X.....of a week's pay for each complete year of continuous Local Government Service, for staff aged between 22 and 40 years
 -X..... of a week's pay for each complete year of continuous Local Government Service, for staff aged 41 years and over*
- This is subject to a total maximum payment of 30 weeks pay and total maximum of 20 years service being used in the calculation.
- *Staff aged 55 and over who are members of the LGPS will not be eligible for a severance payment but the council will fund early release of pension, where applicable.
- After 29 February 2012 the councils normal redundancy payments will apply.

Summary of advice in regards to the Council's Draft Voluntary Severance Scheme

1. The proposed draft voluntary severance scheme could operate where there is a redundancy situation or a need to redeploy staff to new or different roles.
2. In such cases The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 gives the Council the power to pay discretionary compensation to an employee.
3. Regulation 4 (1) (a) applies to employees whose employment is terminated:
 - (i) By reason of redundancy,
 - (ii) In the interests of the efficient exercise of the employing authority's functions; or
 - (iii) In the case of a joint appointment, because the other holder of the appointment has left it.
4. The payment must not exceed 104 weeks' pay and the employee cannot be awarded any increase in pension or pension years under Regulations 12 or 13 of The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007.
5. Under Regulation 19 of the Benefits Regulations a member aged 55 or more is entitled to immediate payment of pension without reduction where a member is dismissed by reason of redundancy or the Council has decided that, on the grounds of business efficiency, it is in their interest that he should leave employment.
6. The policy would not be available to employees aged 55 and over in order avoid a potential windfall as that employee would enjoy the right to access their pension without reduction under Regulation 19 of the Benefits Regulations which is not available to others. This would be justifiable.

