

## **PORTSMOUTH CITY COUNCIL**

### **VOLUNTARY SEVERANCE SCHEME PRINCIPLES**

This scheme does not apply to schools staff.

A Voluntary Severance scheme is where the scheme is entirely voluntary. It is based on an individual wishing to volunteer to leave 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 will be open to all staff although applications may be rejected on the grounds of the Council's business interests.
- The operation of a voluntary severance scheme can only be authorised by a Head of Service supported by a business case.

In operation of the 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 Managers and Heads of Service in the light of the Council's operational and strategic requirements. The decision to allow voluntary severance is at the discretion of the Head of Service. Applications may or may not be approved.
- There is no right of appeal however employees are entitled to feedback on the reason for the decision.
- Under a voluntary severance scheme, termination of employment is a resignation.

Terms & Conditions Update Report

The scheme on offer:

- Will be open from 8<sup>th</sup> December 2011 to 3 January 2012
- The maximum cost of severance will be based on:
  - 1.5 x 0.5 of a week's pay for each complete year of continuous Local Government Service, for staff aged 21 years and under
  - 1.5 x 1 of a week's pay for each complete year of continuous Local Government Service, for staff aged between 22 and 40 years
  - 1.5 x 1.5 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.
- Staff aged 55 and over who are not members of the LGPS will be eligible for a severance payment in accordance with the scheme for under 55 year olds