

# Mount Street Nursery and Infant School

## Voluntary Severance Scheme

Status	Version 1
Date of Issue	

# Powys County Council Voluntary Severance Scheme

## 1.0 Scope

- 1.1 This Scheme was approved by the governing body on 20<sup>th</sup> June 2019 and is applicable to all employees of Mount Street Nursery and Infant school. The Scheme will be in place for a limited period with formal applications being accepted up to and including 12<sup>th</sup> June 2019 with implementation on or before 31<sup>st</sup> March 2020. However, where necessary and if appropriate, the Governing Body may, with the agreement of the Director of Education or his/her representative, agree to extend the scheme and/or date of implementation for a specific period and any extension will be minuted and will be communicated to all employees.
- 1.2 The purpose of the scheme is to assist the school to reduce its staffing overall levels by facilitating the release of some employees who may wish to volunteer for early retirement and/or redundancy or to enable some to reduce their working hours. Staff will need to have 2 years continuous service in order to be eligible for a redundancy/compensatory payment. The three categories are as follows:
- **Voluntary Early Retirement/Redundancy**  
Applies to those aged 55 or over who will be able to access their benefits under the Teachers' Pension/Local Government Pension Scheme (LGPS) and will also qualify for a statutory redundancy payment of up to a maximum of 30 weeks, dependant on age and length of continuous service.
  - **Voluntary Redundancy – non teaching staff**  
Applies to those aged under 55 or over 55 and not in the Local Government Pension Scheme who will be entitled to the Council's redundancy payment of up to a maximum of 30 weeks, dependant on length of continuous service. This also applies to non-teaching staff who have already reached their State Pension age.
  - **Voluntary Redundancy – teaching staff**  
Applies to those aged under 55 or over 55 and not in the Teachers' Pension Scheme who will be entitled to a redundancy payment of up to a maximum of 30 weeks, dependant on length of service. This also applies to teacher's who have already reached their State Pension age.
  - **Reduction in Hours Compensation**  
Applies to anyone who wishes to reduce their hours of work by a minimum of 20% of their current hours, they will receive a taxable compensatory payment based on the Council's current scheme as presently set out in section 5 and in table 4 of Appendix C of this scheme.
- Further details of these options are detailed below.
- 1.3 Each application will be assessed and a business case produced by the Headteacher. This business case will consist of an objective assessment as to whether it is in the interests of the Governing Body to approve the application or not. Issues that will need to be considered will include, but not limited to;

- the budgetary position of the school for the current and future financial years;
  - the costs/efficiencies that will be made;
  - the current and proposed curriculum plan for the school;
  - whether the post can be made redundant and deleted from the school's staffing complement; and
  - an assessment as to whether the school requires the skills/qualifications/experience of the employee to deliver the school's development plan.
- 1.4 The HR service will have a role in advising the Headteacher and the Governing Body through the process. Additional advice/support may also be obtained by School's Finance or the School's Service.
- 1.5 Due to the very specific criteria that must be met in order to demonstrate efficiencies, it therefore follows that only applications which meet the criteria can be approved.
- 1.6 In circumstances where the cost of the total package (including any pension strain) for an employee in the over age 55 category amounts to less than that for an employee in the aged 54 or less category (with equivalent service), the Council will make a payment equivalent to the difference in cost.
- 1.7 It must be noted that employees who leave the employment of the school/Council under the scheme will waive their right to either their contractual or statutory notice period.

## **2.0 Voluntary Early Retirement/Redundancy ("VER")**

- 2.1 Applications for early retirement can be made by those employees who will be Age 55 or over on their last day of service (LGPS) or Teachers aged over 55 and under normal pensionable age on their last day of service.
- 2.2 Applications will be granted on the basis that it is in the interests of the school and of the Council to do so. All requests (see Appendix A) will be subject to a business case being approved by the Governing Body following consultation with and having considered the advice of the Head of Education or his/her representative. Only applications supported by the Headteacher will be considered but it must be understood that any decisions made subsequently will be at the sole discretion of the Governing Body and there is no right of appeal against a refusal to grant VER.
- 2.3 Where the Governing Body decides to grant VER, it must notify the Council immediately of its decision in writing in which event within 28 days of receipt of such notification the Council, subject to the agreement of the School's Service to fund the VER, will issue the appropriate notice terminating the employment under the terms of the contract.
- 2.4 Where the efficiency case for early retirement can be met and the retirement is authorised the employee will, upon leaving the Council's employment, be entitled to access their unreduced pension (providing they have at least 2 years membership of the relevant pension scheme – Teachers' or LGPS, otherwise a refund will be paid) together with a redundancy payment of up to 30 weeks pay. This redundancy entitlement will be based on the statutory redundancy calculator which is detailed in Appendix C – Table 1.
- 2.5 As stated at 1.6 above, in circumstances where the cost of the total package (including any pension strain) for an employee in the Age 55 or over category amounts to less than that for an employee, in the under Age 55 category (with the same amount of service), the Council will make a payment equivalent to the difference in cost.

- 2.6 The Governing Body may consider requests for bumped redundancies using the voluntary severance scheme. In these circumstances, employees may volunteer for redundancy to make way for employees with transferable skills whose role may otherwise be identified as compulsorily redundant. The Governing Body may extend the policy to cover bumped redundancies of employees from another school subject to the business case criteria being met and having considered the advice of the Director of Education or his/her representative.

### **3.0 Voluntary Redundancy (“VR”)**

- 3.1 Applications for voluntary redundancy can be made by those employees who will be under 55 years of age when the scheme is in place and who have at least 2 years continuous service at the date of their last day of service. Teachers who are over 60 and who are over the Teachers’ Pension Scheme retirement age can also apply under the scheme.
- 3.2 Applications will be granted on the basis that it is in the interests of the school and of the Council to do so. All requests will be subject to a business case being approved by the Governing Body and following consultation with and having considered the advice of the Head of Education or his/her representative (please see Appendix B). Only applications supported by the Headteacher will be considered but it must be understood that any decisions made subsequently will be at the sole discretion of the Governing Body and there is no right of appeal against a refusal to grant VR.
- 3.3 Where the Governing Body decides to grant VR, it must notify the Council immediately of its decision in writing in which event within 28 days of receipt of such notification the Council will, subject to the agreement of the Head of Education to fund the VR issue the appropriate notice terminating the employment under the terms of the contract.
- 3.4 Where the efficiency case for voluntary redundancy can be met and the redundancy is authorised, the employee will, upon leaving the Council’s employment, be entitled to a redundancy payment based on the Council’s voluntary redundancy compensation scheme for employees under 55 years or over 55 and not in the Pension Scheme or without a pension strain. This can be found at the end of this document at Appendix C – Tables 2 & 3.
- 3.5 Where voluntary redundancy has been granted for those employees under 55 but who have been members of the Teachers’ Pension/Local Government Pension Scheme any accrued pension rights will be frozen. These ‘preserved benefits’ may be transferred, at any time before normal pension age, to another tax-approved pension arrangement. Alternatively, pension benefits in the Teachers’ Pension/Local Government Pension Scheme may be drawn from age 55 (with actuarial reductions) or from Normal/State Pension age unreduced. (subject to scheme protections)
- 3.6 The Governing Body may consider requests for bumped redundancies using the voluntary severance scheme. In these circumstances, employees may volunteer for redundancy to make way for employees with transferable skills whose role may otherwise be identified as compulsorily redundant. The Governing Body may extend the policy to cover bumped redundancies of employees from another school subject to the business case criteria being met and having considered the advice of the Head of Education or his/her representative.

#### **4.0 Compulsory Redundancy**

4.1 Whilst the school is committed to working to avoid compulsory redundancies from arising if at all possible, where unavoidable, selection for compulsory redundancy will take place in line with the school's Redundancy Policy and compensation scheme. It is expected by the Authority that Schools will commence compulsory redundancy procedures while the VSS process is being undertaken. If sufficient formal applications for VSS come forward the Governing Body can then decide to suspend or stop the compulsory process following HR advice.

#### **5.0 Reduction in Hours Compensation**

5.1 Applications to reduce hours by a minimum of 20% may be granted if it is in the interests of the school and of the Council to do so. All requests will be subject to a business case being approved by the Governing Body following consultation with and having considered the advice of the Head of Education or his/her representative (please see Appendix A). Only applications supported by the Headteacher will be considered but it must be understood that any decisions made subsequently will be at the sole discretion of the Governing Body and there is no right of appeal against a refusal to grant a reduction in hours.

5.2 The request will need to constitute a minimum of 20% reduction in working hours and will be permanent. Any combination of hours worked per week and weeks worked per year will be considered so long as there is a minimum reduction of 20% on the annualised hours.

5.3 An employee who reduces their hours under this scheme will be entitled to a compensatory payment. The compensatory payment will be a one-off payment calculated using the difference between an employees' current weekly pay and their new weekly pay, multiplied by the number of week's statutory redundancy entitlement. This payment will be subject to tax and NI deductions. Appendix C – Table 4.

5.4 Anyone wishing to reduce their hours under this scheme will not be granted access to pension rights. Those wishing to take their pension and return to work on reduced hours should consult the Authorities model Flexible Working Policy but those accessing their pension and returning to work are not eligible for reduction in hours compensation payment.

5.5 Final approval from the Schools Service to fund the compensatory payment must be sought prior to confirmation of acceptance being provided to an employee requesting a reduction in hours.

#### **6.0 Scheme Payments, Costs and Funding**

6.1 Voluntary early retirement, voluntary redundancy and compensatory payment costs will be met by the Council provided that the school can demonstrate that a compulsory redundancy would have otherwise been necessary to address a financial deficit in the school budget and that appropriate consultation and prior approval of the business case by the Director of Education or his/her representative.

6.2 Access to this policy for Schools is conditional upon the School adopting ***Powys County Council's Re-employment of Former Employees Policy***, and also agreeing to give consideration to any employee of Powys County Council who is at risk of compulsory redundancy and meets the essential criteria for any vacant post in the School prior to it being advertised. If an employee meets the essential criteria then they should be offered the position unless there is a good reason not to.

## **7.0 Managing the Expectation of Applicants**

- 7.1 Applicants should discuss their application with the Headteacher and or nominated representative before applying to ascertain if their application is likely to be supported. Applicants need to be aware that even if the Headteacher and or nominated representative feel that there is a possibility the application could be approved, the business case will need to be considered carefully by the Governing Body in consultation with and having considered the advice of the Head of Education or his/her representative.
- 7.2 Applicants should be made aware that if the application is accepted and they are given notice that this can be withdrawn by Powys County Council at any point up to and including the last day of employment should there be a change in circumstances, for example if another employee resigns leaving a vacancy which would be a suitable alternative role and would need to be filled, or removes the need for the deletion of their post.**

## **8.0 Procedure**

- 8.1 Employees who are interested should, in the first instance, discuss the matter with the Headteacher and or the nominated representative.
- 8.2 Following this discussion, if there is agreement that there is merit in pursuing the application, the employee will need to confirm their expression of interest in writing to the Headteacher, using the prescribed form at Appendix A. At this stage there is no commitment on either party to proceed with an application.
- 8.3 Where the Headteacher decides they are not able to support in principle an expression of interest *they* will then write to the employee using the recommended template on the reverse of the Expression of Interest form at Appendix A.
- 8.4 For those cases that the Headteacher decides they are able to support, estimates for redundancy/pensions/compensatory awards will be requested (by the Headteacher via HR) from payroll/pensions.
- 8.5 Once individuals have received their estimates they will need to make a final decision as to whether they wish to pursue their application. A formal request would then need to be made using the application form template at Appendix B. This form should be returned to the Headteacher once completed. At this stage the employee is committing themselves to the process if their application is approved.
- 8.6 For those applications that the Headteacher is able to support they will develop a detailed business case including a cost-benefit analysis in order to consult with the Head of Education or his/her representative.
- 8.7 The business case will be forwarded firstly to the school's HR Business Partner who in turn will forward the business case to School's Finance and the School's Service before the case is returned to the Headteacher for submission to the Governing Body.
- 8.8 The Governing Body will then assess the merits of the application and make a decision having considered the advice of the Head of Education and/or his/her representative in the Schools' HR Team, Finance and the Schools' Service.

- 8.9 Where the Governing Body decides to grant VER, VR or a Reduction in Hours it must notify the Council of its decision in writing immediately in which event within 28 days of receipt of such notification the Council will, subject to the agreement of the Schools Service to fund the VER or VR, issue the appropriate confirmation and where necessary issue notice of termination.
- 8.10 For applications declined by the Governing Body the Clerk to the Governors will write, on behalf of the Chair of Governors, to advise the employee that their application has been unsuccessful using the relevant template at Appendix E.