

**Bolsover District Council**

**Union Employee Consultation Committee**

**9 March 2017**

**Early Voluntary Release Policy**

**Report of the Joint Assistant Director – HR & Payroll**

This report is public

**Purpose of the Report**

- To inform the Committee of the intention to put forward to Council a request to introduce an Early Voluntary Release Policy.

**1 Report Details**

- 1.1 Attached at Appendix A is a draft Early Voluntary Release Policy that is to be put forward to Council for consideration.
- 1.2 The Council currently does not have an enhanced redundancy payment should employees request and/or agree to a voluntary exit.
- 1.3 There is no requirement to have an enhanced redundancy scheme for either compulsory or voluntary redundancies but it is usual to offer some sort of enhancement when volunteers are requested by the employer (ie an employer led initiative).
- 1.4 This does not replace the existing compulsory redundancy scheme that is in place.

**2 Conclusions and Reasons for Recommendation**

- 2.1 There are a number of circumstances where early voluntary release may be under consideration for an employee. These can relate to the individual situation of an employee if it enabled flexibility for change, or be through the result of employer-led organisational change. A formalised scheme would set out the Council's approach to voluntary release through early retirement and severance arrangements.
- 2.2 Each application would need to be decided taking into account all considerations and must be based on sound business reasons and affordability in both the short and long term.
- 2.3 Early Voluntary Release schemes are used widely in the public sector and vary in terms of enhancement, although an enhancement of 50% (ie 1.5 weeks) is a standard approach to encourage volunteers.

- 2.4 There is the option within a Voluntary Release Policy to withhold the enhancement for those aged 55 or over as they have immediate access to pension benefits. However, to avoid age discrimination challenges, it would be good practice to offer the enhancement, if approved, to all staff regardless of age.
- 2.5 The introduction and use of Voluntary Early Release maximises the flexibility of workforce planning and mitigates the necessity for compulsory redundancies in future, although this of course cannot be guaranteed in the current financial climate.

### **3 Consultation and Equality Impact**

- 3.1 This policy is discretionary and does not form part of terms and conditions of employment. The Council currently complies with all its statutory obligations in relation to compulsory redundancy policies should these need to be utilised.
- 3.2 It is good practice to consult generally on all employee related issues and for this reason, this draft policy has been submitted to this Committee for consultation purposes.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 There is no requirement to have such a scheme and the alternative option is to rely on the existing redundancy policy to facilitate any early exits from the organisation which offers no difference between someone volunteering for redundancy or being made compulsory redundant.
- 4.2 Not utilising Early Voluntary release as a method of delivering organisational change may restrict the Chief Executive in terms of achieving transformational change and budget savings targets.
- 4.3 Not utilising an Early Voluntary Release Scheme as a workforce planning tool may necessitate the need for compulsory redundancies if and when the budget situation worsens.

### **5 Implications**

#### **5.1 Finance and Risk Implications**

There would be financial implications in terms of redundancy payments and pension strain costs (for employees 55 years or over). However, in order for an early release to be viable, a cost saving over a three year period must be achieved by either deleting the post from which the employee is exiting, or deleting a post elsewhere in the structure.

The risk of not utilising an early voluntary release solution would mean that potentially, in future, the Council may have no option but to utilise its compulsory redundancy scheme when staffing numbers need to be reduced in order to achieve financial savings.

#### **5.2 Legal Implications including Data Protection**

None specifically.

### 5.3 **Human Resources Implications**

Covered within the report.

## 6 **Recommendations**

- 6.1 That the Committee endorses the submission of an Early Voluntary Release Policy for consideration by Council.

## 7 **Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	
<b>Links to Corporate Plan priorities or Policy Framework</b>	Transforming our Organisation

## 8 **Document Information**

<b>Appendix No</b>	<b>Title</b>
A	Draft Early Voluntary Release Policy
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Stephanie Barker	2237