

Appendix 1

Voluntary Redundancy and Voluntary Early Retirement Policy

Contents

- 1.0 Introduction & Policy Statement
- 2.0 Scope
- 3.0 Consultation
- 4.0 Selection
- 5.0 Notice of redundancy
- 6.0 Redundancy and Pension Strain payments
- 7.0 Time off work for training or to look for another job.
- 8.0 Additional support
- 9.0 Data Protection

1.0 Introduction and policy statement

- 1.1 We value our employees. We are committed to providing long-term job security and to managing the Council in the best way possible to safeguard your employment. However, there may be occasions when financial pressures, changes in our working practices, advances in technology or other external factors, have an impact on our workforce and despite our best efforts, situations may arise where redundancies are unavoidable.
- 1.2 Where this is the case, we will explore alternative measures to avoid a compulsory redundancy situation and where appropriate, we will initially seek volunteers for redundancy or early retirement. We are committed to making necessary adjustments to staffing arrangements in the least detrimental way.
- 1.3 We will, as far as is practical, try to avoid compulsory redundancy. Natural turnover, redeployment, early retirement, and voluntary redundancy are our preferred means of adjusting the council's workforce levels.
- 1.4 We will consider, in consultation with Trade Unions, the following alternative measures to minimise or avoid a redundancy situation.
 - freezing recruitment.
 - stopping or reducing the use of temporary workers.
 - stopping or reducing overtime.
 - offering career breaks or other types of unpaid leave.
 - retraining or redeploying employees.
- 1.5 We acknowledge the need for financial prudence when using voluntary redundancy or voluntary early retirement as a management tool. We will endeavour to ensure that any redundancy payments are affordable, and that savings can be achieved within two years of the effective date of the voluntary redundancy or voluntary early retirement.
- 1.6 Where it is appropriate, the council will use the discretions available in the Local Government Pension Scheme (LGPS) and under the Local Government Discretionary Payments Regulations. This means that employees who are 55 years old or older, who are accepted for voluntary early retirement or voluntary redundancy, will be able to take their pension from the agreed exit date and the Council will pay the pension strain costs which are incurred.
- 1.7 The policy will be applied fairly and equally to all employees, and without any form of discrimination.
- 1.8 The policy does not form part of your contract of employment, and we reserve the right to amend or withdraw it at any time, in consultation with Trade Unions.

2.0 Scope

- 2.1 The policy applies to people who are employed by Chesterfield Borough Council. It does not apply to workers, contractors, consultants, or any self-employed individuals working for the organisation.
- 2.2 To qualify for voluntary redundancy or voluntary early retirement, you must have at least two year's continuous local government service or other relevant service as set out in The Redundancy Payments - Continuity of Employment in Local Government, Modification Order 1999 (as amended).
- 2.3 All continuous service with local authorities and other bodies covered by the Modification Order counts towards the entitlement to, and calculation of a statutory redundancy payment, apart from any period in respect of which a redundancy payment has already been paid.

3.0 Consultation

- 3.1 We will consult with employees who may be eligible for voluntary redundancy and voluntary early retirement. In doing so, we will endeavour to hold face to face consultation meetings but may also conduct the consultation process remotely where this is not possible. We will ensure that employees have access to the necessary technology for participating in the process.
- 3.2 Where we propose to dismiss as redundant 20 or more employees within a period of 90 days or less, we will consult with recognised trade union representatives on matters relating to the redundancy proposal. This is known as collective consultation.
- 3.3 In any collective consultation exercise, we will also consult individually with each employee that is affected by the redundancy proposal in respect of their own circumstances.

4.0 Selection

- 4.1 Where the need to reduce employee numbers has been identified, we will look for volunteers who may choose to end their employment with the council through redundancy or voluntary early retirement.
- 4.2 The practicality of volunteers being supported in their application will be dependent on the needs of the service.
- 4.3 The cost of accepting a redundancy application will need to be offset against any savings made. Examples of such situations are:
 - The employee is released, and the resulting vacancy contributes directly to corporate savings targets.

- The resulting vacancy is used in a wider service restructuring process, potentially resulting in equivalent or greater savings being achieved from a reshaped service.
- The resulting vacancy would create internal job opportunities or redeployment opportunities.
- The resulting vacancy will allow the council to operate in a more economic manner because of the early release of the employee.
- Health and compassion – where an employee’s personal circumstances suggest that early release may be appropriate.

4.4 We reserve the right not to accept an employee's application for voluntary redundancy or voluntary early retirement. This might be the case where we receive too many volunteers, or we consider that the service cannot function without the post.

5.0 Notice of redundancy

5.1 If the employee’s voluntary redundancy application is accepted by the Council, and after further consideration the employee wishes to proceed with voluntary redundancy, they will be given written notice of the termination of their employment in accordance with the notice period set out in their contract of employment or the statutory minimum notice period, whichever is greater.

5.2 Depending on the circumstances, we may make a payment in lieu of notice instead of requiring the employee to work their notice period.

6.0 Redundancy and Pension Strain payments

6.1 Where an employee applies for voluntary redundancy and it is accepted, they will be entitled to receive a statutory redundancy payment. This payment will be calculated in accordance with the relevant statutory redundancy pay provisions in force at the time. The employee will receive a written statement explaining how their redundancy pay has been calculated.

6.2 The employee will not receive a redundancy payment if they are accepted for voluntary early retirement. The Council will pay pension strain costs to Derbyshire Pension Authority on the employee’s behalf, and the employee will be able to receive their pension benefits from the date of their early retirement.

7.0 Time off work for training or to look for a new job.

- 7.1 We recognise and understand the financial and emotional strains that come with redundancy or retirement, even when this is undertaken voluntarily. We will, where possible, give any employee selected for redundancy a reasonable amount of paid time off to look for alternative employment, attend job interviews and arrange training for future employment.
- 7.2 Any request for time off work should be made by email to the employee's line manager and HR Business Partner.

8.0 Additional support

- 8.1 We understand that redundancy situations can cause stress and feelings of insecurity. Where an employee is concerned about their wellbeing or that of a colleague, they should speak to your line manager or HR Business Partner. Alternatively external help is available through the Council's Employee Assistance Programme.

9.0 Right of appeal

- 9.1 Employees do not have the right to appeal against a decision to reject their application for voluntary redundancy.

10.0 Data protection

- 10.1 All personal data, including special categories of your data, is processed in accordance with our data protection policy at all stages of the redundancy process.

Policy Approval Date: 18/7/2023

Date of review: July 2026

Letter template 1

Dear colleague,

Voluntary Redundancy and Voluntary Early Retirement Scheme - 2023 -24

I refer to my video briefing with the workforce on [date], where I explained that the organisation needs to reduce its costs and restructure services.

The Council is finding it challenging to deliver a balanced medium term financial plan because the cost of our service delivery is currently more than the budget which is available to us. We estimate that we have a budget shortfall of approximately £3.5m over the next four years. This shortfall has been created because of increased inflation, spiralling energy costs and nationally negotiated pay awards which have been higher than forecast, together with reductions in income, which have not recovered to the levels we expected as we recover from the coronavirus pandemic. We must make some immediate changes so that we can meet our legal obligations to set a balanced budget in 2024-25.

Our Elected Members are considering several initiatives which will help us to reduce the budget gap, but we know that we have no choice but to deliver services with a smaller workforce. Unfortunately, we will need to reduce the workforce by at least 30 full time equivalent employees by March 2024 through redundancy.

Voluntary Redundancy (VR) and Voluntary Early Retirement (VER)

The reason for this letter is to invite you to apply for voluntary redundancy or voluntary early retirement if this is something that is of interest to you.

You can do this by using the online form which will be available on Aspire as soon as the scheme is launched. If you do not have access to the online form, please contact your HR business partner, who will be able to assist you in applying.

This one-off voluntary scheme will **launch on 27 July 2023** and will **close on 15 September 2023**.

Submitting an expression of interest does not commit you to going ahead with the scheme, although please avoid registering interest if you are not seriously considering this option.

Expressing an interest in or volunteering for redundancy or early retirement will not amount to a resignation and it will not be held against you if your application is refused or withdrawn.

If you do apply for the scheme, **we will let you know whether your application has been accepted by 29 September 2023**. We will also set out the next steps in the process.

Please bear in mind that we reserve the right not to accept an employee's application for voluntary redundancy. This might be the case where we receive too many volunteers, or we consider that accepting your application is not in the best interests of the Council.

More information

A summary of the process which will be followed is set out below. More information on the scheme can also be found on Aspire. If you have further questions however, please contact your HR Business Partner or service manager.

We have already engaged in collective consultation with Trade Unions colleagues about the launch of the VR and VER scheme and they will be involved throughout the process, so will also be able to assist you in resolving any questions about the scheme.

I appreciate that this is a worrying time and commit to regularly updating you on progress against the scheme.

Yours faithfully

Dr Huw Bowen

Chief Executive

Letter template – Acceptance or Rejection of application

Dear []

Re: Your application for [voluntary redundancy/voluntary early retirement]

Thank you for your application for voluntary redundancy.

Option 1 - application for voluntary redundancy is accepted.

I am pleased to inform you that your application is accepted.

We will write to you separately in the next few days to arrange a meeting to discuss and finalise the details of the termination of your employment.

Option 2 - application for voluntary redundancy is rejected.

I regret to inform you that your application for voluntary redundancy is not accepted.

As you know, we were unable to guarantee that all applications for voluntary redundancy would be accepted. The decision had to be made considering several factors. These included the need to be able to realise savings from this post within two years and needing to retain certain types of knowledge, skills and talents that are essential for the business.

Based on [insert individual reasons for rejections], we consider that it is in the long-term interests of the council to retain your services, and this is why we are unable to accept your application.

Please be assured that your future with Chesterfield Borough Council will not be affected by your decision to apply for voluntary redundancy.

We thank you for your continued understanding during this difficult time. If you have any queries or you would like to discuss any aspect of this letter further, please do not hesitate to contact your Service Director or HR Business Partner.

Yours sincerely

Dr Huw Bowen
Chief Executive

Appendix 4 – letter to applicant confirming package

Dear []

Voluntary redundancy terms

I refer to our meeting with you on [date] to discuss your application for voluntary redundancy. We are willing to offer you voluntary redundancy on the following terms:

- Your employment will terminate on [date] because of redundancy.
- You will be paid [] weeks' pay in lieu of notice. You [will / will not] be required to work out a formal notice period. A sum constituting your pay in lieu of notice, less income tax and national insurance contributions, will be transferred into the bank account into which your wages are normally paid.
- You will be entitled to a payment in lieu of [number] days' accrued and untaken holiday on termination. This payment will be paid to you with your final instalment of pay, less income tax and national insurance contributions.
- You agree that you will return all property that belongs to the organisation by [date]. Items that should be returned include [list the appropriate items, and expand on them as necessary].
- You will receive a redundancy payment of £[], which will be paid to you with your final instalment of pay. Please find attached details of how your redundancy payment has been calculated.

What you must do now

To indicate that you accept these terms, please sign and date this letter and return a copy to Ruth Hayzen-Smith, Head of HR, Payroll and Support Services no later than [date].

If you have any queries or wish to discuss these terms further, please do not hesitate to contact Ruth Hayzen-Smith.

Yours sincerely

[]

Dr Huw Bowen

Chief Executive

I agree to the voluntary redundancy terms proposed in your letter dated [date].

Signed:

Dated:

Appendix 5 – Process Flow

Notification

- HR to complete Equality Impact Assessment
- HR to update government that we expect to exceed 20 redundancies in 90 days (HR1 form)
- CEO to formally notify Trade Unions of need for redundancies and launch of the scheme
- CEO to communicate the scheme to employees

Apply

- Employee completes voluntary redundancy or voluntary early retirement application on Aspire

Business Case preparation

- HR saves application to employee file
- HR to add application to VR/VER tracker
- Line Manager and service director to consider request and provide narrative within 7 days about how the request can be supported
- Cost to the authority calculated.

WPG consideration

- HR presents the business case to Workforce Planning Group
- Financial case considered - pay back within 2 years?
- Service impact considered
- WPG to approve in principle or reject
- WPG to engage with Trade Union colleagues on number of applicants received, equality impacts and likely decision.

Employee updated

- HR issue acceptance or rejection letter to employee
- If rejected, employee is added to waiting list. Refer to restructure, redeployment and redundancy policy to determine whether 'bumping' can apply.

Final decision

- Employee confirms in writing that they wish to take VR or VER
- Dismissal hearing completed for VR
- Leaver form completed
- Employee works notice period
- Final pay arranged
- Finance & HR remove post from establishment and budget