

**To: Finance, Resources and Customer Services Policy Board**

**On: 13 June 2024**

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**Report by: Director of Finance and Resources**

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**Heading: Report on the Voluntary Redundancy/Early Retirements Scheme**

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## **1. Summary**

- 1.1. An annual report detailing the number of employees leaving through the voluntary redundancy or voluntary early retirement schemes (VR/VER), and associated financial implications for the Council, is presented to the Board in June.
  - 1.2. This report provides an update for the period from 1 April 2023 to 31 March 2024 confirming that 74 employees (70.35 FTE) have left the Council through voluntary redundancy or early retirement in that period.
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## **2. Recommendations**

- 2.1 Members are asked to note the report.
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## **3. Background**

- 3.1. This report provides details of the workforce planning arrangements to support the delivery of service changes, predominantly linked to the Right for Renfrewshire programme, over 2023/24. Expressions of interest in VR/VER from across the workforce were reviewed to assess the impact of any proposed reduction in headcount on services and the remaining workforce, including the cost to the Council of early release. As part of the Council's 2023/24 budget strategy, VR/VER has been utilised to achieve service changes and savings.

- 3.2. The Chief Executive, in consultation with the Head of People and Organisational Development, is authorised to determine all requests received from employees for VR/VER under the schemes.
- 3.3. During the financial year 2023/24, a total of 74 employees (70.35 FTE) accepted voluntary redundancy or early retirement in the interests of the efficiency of the service.
- 3.4. The financial costs and savings of these decisions are detailed in Appendix A. An assessment is carried out in each VR/VER exercise to confirm the length of time for savings to accrue. For the 74 individuals being released in 2023/24, this averages at 24 months.
- 3.5. In determining requests for VR/VER, the Chief Executive and the Head of People and Organisational Development, in conjunction with the appropriate service Director, continue to take into account the potential to implement efficiencies and support the modernisation of the Council's workforce in addition to the financial savings to be gained. Consideration was given to both the one-off costs of VR/VER, and the additional ongoing annual costs and in these cases it has been deemed to be of benefit to the Council for VR/VER to be agreed.
- 3.6. Appendix A contains details of the number of employees leaving the Council through either VR/VER in the interests of the efficiency of the service. It includes the following terms:
  - Redundancy Payment: the total lump sum redundancy payments paid to employees leaving the Council.
  - Enhanced Element of Pension (Annual Compensation): where the employee is a member of the Pension Fund and is awarded compensatory added years, the Council requires to pay on a monthly basis to the Pension Fund an amount that covers the costs associated with these added years.
  - Enhanced Element of the Lump Sum: where an employee is a member of the Pension Fund and is awarded compensatory added years, the Council requires to pay the lump sum directly to the employee as a one-off payment.
  - Strain / Factored Costs: where an employee is a member of the Pension Fund and retires early on grounds of efficiency / redundancy, the Council requires to pay to the Pension Fund a 'strain on the fund' charge for early payment of retirement benefits or where the employee would otherwise have suffered an actuarial reduction to their benefits for early retirement; this strain on the fund charge is paid as a one-off payment.

- Pay in Lieu of Notice: where an employee has not received the appropriate notice of their employment terminating, a payment in lieu of notice is paid by the Council.
- Full Year Savings: these will accrue from the release of staff under the scheme.

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### **Implications of this report**

1. **Financial** – as detailed in Appendix 1 of report.
2. **HR & Organisational Development** – as detailed in the report.
3. **Community Planning** – none arising from this report.
4. **Legal** - none arising from this report.
5. **Property/Assets** - none arising from this report.
6. **Information Technology** - none arising from this report.
7. **Equality & Human Rights** - none arising from this report.
8. **Health & Safety** – none arising from this report.
9. **Procurement** – none arising from this report.
10. **Risk** – none arising from this report.
11. **Privacy Impact** - none arising from this report .
12. **Cosla Policy Position** - none arising from this report.
13. **Climate Risk** - none arising from this report.

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**VOLUNTARY REDUNDANCY/EARLY RETIREMENT SCHEME/EFFICIENCY OF THE SERVICE**
**APPENDIX 1**
**Financial Implications 1 April 2023 - 31 March 2024**

| Service                               | No of Employees | FTE          | Total Annual Salary | Redundancy         | Enhanced Element of Pension | Enhanced Element of Lump Sum | Strain / Factored Costs | Payment in Lieu of Notice | Full Year Savings  |
|---------------------------------------|-----------------|--------------|---------------------|--------------------|-----------------------------|------------------------------|-------------------------|---------------------------|--------------------|
| Chief Executives                      | 3.00            | 2.50         | £ 178,671           | £ 67,830           | £ 13,293                    | £ 4,431                      | £ 234,351               | £ -                       | £ 178,671          |
| Environment, Housing & Infrastructure | 51.00           | 49.25        | £ 2,187,522         | £ 1,051,231        | £ 180,511                   | £ 60,170                     | £ 3,271,400             | £ -                       | £ 2,187,522        |
| Finance and Resources                 | 20.00           | 18.60        | £ 1,093,696         | £ 475,656          | £ 94,048                    | £ 31,349                     | £ 1,342,507             | £ -                       | £ 1,093,696        |
|                                       | <b>74.00</b>    | <b>70.35</b> | <b>£ 3,459,889</b>  | <b>£ 1,594,718</b> | <b>£ 287,852</b>            | <b>£ 95,950</b>              | <b>£ 4,848,259</b>      | <b>£ -</b>                | <b>£ 3,459,889</b> |