

To: Finance, Resources and Customer Services Policy Board

On: 15 June 2022

Report by: Director of Finance and Resources

Heading: Report on the Voluntary Redundancy/Early Retirements Scheme

1. Summary

- 1.1. An annual report outlining the number of employees leaving the Council through the voluntary redundancy or voluntary early retirement schemes (VR/VER) and the associated financial implications for the Council is presented to this Board following the end of each financial year.
 - 1.2. This report provides an update for the period from 1 April 2021 to 31 March 2022, confirming that 28 employees (24.65 FTE) have left the Council through voluntary redundancy or early retirement.
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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 2021/22. Expressions of interest in voluntary redundancy/early retirement 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 2021/22 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 voluntary redundancy/early retirement under these schemes.
- 3.3. During the financial year 2021/22, a total of 28 employees (24.65 FTE) accepted voluntary redundancy/early retirement, 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 1. An assessment is carried out in each VR/VER exercise to confirm the length of time for savings to be achieved. For the 28 individuals being released from service, this averages at just under **20 months**.
- 3.5. In deciding on requests for voluntary redundancy/early retirement, 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 voluntary redundancy/early retirement and the additional ongoing annual costs, and in these cases it was deemed to be of benefit to the Council for these voluntary redundancy / early retirement requests to be agreed.
- 3.6. Appendix 1 contains the following information:
 - The number of employees leaving the Council through either voluntary redundancy / voluntary early retirement, or early retirement in the interests of the efficiency of the service.
 - Redundancy Payment - the total lump sum redundancy payments paid to employees leaving the service.
 - 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 the Pension Fund, on a monthly basis, 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 retires early on grounds of efficiency / redundancy and is a member of the Pension Fund, the Council requires to pay 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. The strain on the fund charge is paid to the Pension Fund 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.

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** - The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
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 2021 - 31 March 2022

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
Finance and Resources Service and Chief Executives	10.00	8.81	521,050	232,404	60,608	20,202	807,856	-	444,692
Environment & Infrastructure and Communities and Housing Services	6.00	6.00	280,538	94,416	23,415	7,805	181,060	-	280,538
Children's Services (non-teachers)	12.00	9.84	335,149	121,291	17,467	5,822	133,181	-	335,149
	28.00	24.65	1,136,737	448,111	101,490	33,830	1,122,097	-	1,060,380