

Glasgow Kelvin College Voluntary

Severance Scheme – 2020/21

1. Introduction

The aim of the Voluntary Severance Scheme is to achieve reduction in staff costs by voluntary means. The details outlined below, sets out Voluntary Severance policies to be adopted to enable the College to achieve the objectives outlined in its medium term Financial Forecasts and Transformation and Renewal (T & R) Plan which are predicated upon on-going reductions in staffing numbers to maintain financial sustainability. The Voluntary Severance Scheme is likely to be in operation at various points through the 3 year Business Transformation process. Such an approach will be fair and transparent and will adhere to the following principles:

- Full account will be taken of existing employment legislation and current College policies, including our commitment to equality and diversity.
- There will be full discussion and consultation with the trade unions regarding the Voluntary Severance Scheme.
- There will be no automatic right to a severance package and only cases that represent value-for-money will be recommended for approval.

The College will reserve its right to grant or decline applications for Voluntary Severance.

Future windows of opportunity for Voluntary Severance **may** be made available for a defined period but no guarantee can be given.

2. Voluntary Severance Scheme

Voluntary Severance including lieu of notice, any untaken annual leave and any pension strain on the fund costs will be limited to a maximum of the employee's annual salary cost for the number of months' payment (section 3) the employee is entitled to.

The Scheme will not apply where:

- a member of staff has less than 2 years continuous service as at the date of application;
- a member of staff is in the process of leaving the College's employment due to

- having given or having been given notice of termination of their employment; or
- an application for retirement is already being progressed. This includes early and ill health retirement.

In considering applications for Voluntary Severance the overarching principle will be that the College is able to make on-going financial savings in staff costs. This will be taken into consideration when the College determines whether or not an individual is granted Voluntary Severance.

Formal applications for the scheme will be accepted from 02 March 2021 to noon 16 March 2021. The scheme will then close. It may be re-opened at any point during the Business Transformation Planning period, up to 31 July 2022, depending upon the requirement to reducing staffing numbers and costs. The scheme will not necessarily be available to all staff teams.

It is anticipated that all applications are serious and made in good faith. If a formal application is accepted, it cannot be withdrawn and the individual's employment with the College will terminate on a date to be determined by the College normally in agreement with the member of staff.

All applications will be treated in the strictest confidence and are private and confidential.

3. Voluntary Severance Package

The package available will be in the form of a lump sum Voluntary Severance payment. The following scale will apply by way of compensation for the termination of employment:

▪ 2 – 3 years service	4 month's salary
▪ 4 – 6 years service	6 month's salary
▪ 7 – 9 years service	8 month's salary
▪ 10 years service	12 month's salary

Any payments due in respect of early access to pension will be offset against the voluntary severance package and will not exceed the compensation cost shown in month's salary above.

The Voluntary Severance Payment is based on complete years of continuous service. The service date will be calculated using continuous service dates as at the date of application. Such payments will be inclusive of entitlement to statutory redundancy provisions.

A month's pay is the **basic** monthly salary under contract when the employee has normal working hours and pay does not vary. Where earnings **vary** the amount will be the **average** weekly earnings during the 16 weeks prior to the application date.

No upper statutory limit will be applied when calculating a week's pay.

The expected date of exit for each application will be subject to discussion and agreement based on the operational requirements of the College. You will be required to work your contractual and/or statutory notice period and use any outstanding annual leave prior to the agreed date of termination. Depending on the exit date and completion of the VS process it is not possible for you to work your period of notice or take any accrued but untaken annual leave you will be required to waive your statutory and/or contractual notice period. The voluntary severance payment would therefore include full contractual and/or statutory notice period and any untaken annual leave prior to the Termination Date. In the event that your employment is terminated for any reason other than voluntary severance or you resign before the agreed date, the College reserve the right to withdraw the offer of voluntary severance and the associated payment.

All voluntary severance arrangements will be subject to completing and signing a Termination Letter which will set out the terms of the termination of employment, which will be issued after the contract end date has been agreed. The severance payment will be strictly conditional upon the Termination Letter being signed by the Employee and within 14 calendar days from the date of issue and on or immediately after the contract end date. Failure to return the signed Termination Letter in these timescales will result in the severance payment being withheld until the Letter has been signed.

Staff who take voluntary severance payments are normally unable to be re-employed by any of the three College's in Glasgow within a 2 year period.

There is no contractual right to Voluntary Severance and the College reserves the right to vary, change or withdraw entirely the Voluntary Severance Scheme without notice.

Partial Voluntary Severance (i.e. giving up a percentage of a post) or Voluntary Severance on a phased basis will not be considered due to HMRC regulations.

Lump sum payments will be made having regard to the relevant legislation on taxation and national insurance. Up to £30,000 of any Voluntary Severance payment can be paid to an employee without any deduction of tax or National Insurance Contributions (in accordance with the HMRC limit).

Access to Retirement Benefits Strathclyde Pension Fund

An individual accepted for Voluntary Severance who is a member of the Strathclyde Pension Fund may be entitled to access his/her pension if they satisfy the age and service criteria. The decision to accept an application for voluntary severance will be based on the total cost to the College of the voluntary severance payment and any mandatory pension costs (known as the Mandatory Strain Cost).

If an application is accepted by the College under the Strathclyde Pension Fund, any Mandatory Strain Cost associated with the termination of the individual's employment will be paid by the College. The Mandatory Strain Cost will be offset against the severance payment due. In cases where the Strain Cost is greater than the severance payment due the employee will be required to pay the excess if they wish to leave within the terms of the scheme.

Scottish Teachers' Superannuation Scheme

The College is not responsible for the payment of any strain on the fund/capitalisation costs however an individual may elect to have the actuarial reduction met from the Voluntary Severance Payment. The strain on the fund/capitalisation cost will be offset against the voluntary severance payment due.

This is a matter solely for the individual employee. If the capitalisation cost exceeds the payments due under Voluntary Severance, the College will not normally accept the application.

The College is legally unable to provide pension advice to employees and individuals are encouraged to seek independent advice in this matter.

Additional information regarding pensions can be found on the Strathclyde Pension fund and the Scottish Public Pensions Agency website or by contacting them directly.

The contact details are as follows:

Strathclyde Pension Fund
P.O. Box 27001
Glasgow
G2 9EW
0845-2130202
www.spfo.org.uk
www.sppa.gov.uk

Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
Galashiels
TD1 3TE
01896-893000

The College will provide a range of support services, including courses in preparation for retirement, to assist staff where applications for Voluntary Severance have been approved.

4. Procedure for Applying for Voluntary Severance

- i All affected staff (or all relevant staff) will be informed of the availability of the scheme. They may note a confidential interest in the scheme and request further information by writing or emailing the Director of Human Resources.
- ii Individuals who have noted an interest in the scheme will be sent confirmation of the severance payment that would be made to them should their application be accepted.
- iii Having received the relevant information, the individual, if wishing to proceed, should formally apply in writing to the Director of Human Resources by completing the attached pro-forma "Application for Voluntary Severance" (Appendix 1). Such requests will then be passed to the (Named person) for consideration.
- iv The relevant employee's manager and senior manager will then consider if the criteria for granting Voluntary Severance are met (see below).
- v The cases will then be considered by the College Senior Management for the decision to approve or not. These decisions then go forward to the relevant Board Committee for information and approval.
- vi Individuals will be informed by HR regarding the outcome of any application. Those being offered Voluntary Severance will be offered a Termination Letter and required to make a final decision as to whether or not they will accept.

5. Criteria for Voluntary Severance

The College has full discretion and reserves the right throughout this process to agree or refuse any application for severance. All decisions will be transparent and the College will notify individuals of the outcome of their application in writing.

The essential criterion to be considered by the employee's manager and the College Senior Management is that their recommendation (whether this is supporting the member of staff's request for Voluntary Severance or not) is in line with the aims of the Transformation and Renewal Plan and College financial plans. Additional areas of consideration will relate to:

- the impact on the student experience.
- the scheme will apply equally to all staff groups but voluntary severance will only be approved in areas where the need for savings or reductions in staff numbers has been identified and there are no replacement costs or a cost saving can be made.
- can someone else be redeployed into the applicant's role at no additional cost
- will other colleagues be affected (e.g. by additional workloads). If so, to what extent.

This is not an exhaustive list. The College decision is final and there is not a right of appeal.

This scheme is not intended to address poor performance in the College and will not be used for this purpose.

6. Consideration of Voluntary Severance Applications

In all cases, whether or not the case is supported by the Vice Principal and Director, individuals' applications will be considered by the College Senior Management. In the event that a Vice Principal wishes to apply for Voluntary Severance, the application must be made directly to the Principal. The Board of Management will be required to approve applications for Voluntary Severance.

7. Further Information

Any matters relating to information contained in this Scheme can be discussed with the Director of Human Resources.

STRICTLY CONFIDENTIAL**APPLICATION FOR VOLUNTARY SEVERANCE**

(To be completed by the member of staff)

I wish to be considered for Voluntary Severance under the terms of the approved Voluntary Severance Scheme. I accept that the College's decision is final and there is not a right of appeal.

Application must be submitted **no later than [date]**

NAME	
FACULTY/UNIT	
JOB TITLE	
SIGNATURE	
DATE	

Space is provided here for any other additional supporting statement/information:

Please return to the Director of Human Resources