

**BOARD MEETING: 21 AUGUST 2015**

**Voluntary Redundancy Policy**

**Recommendation/action required:**

The Board is asked to approve the NHS Health Scotland Voluntary Redundancy Policy (V 2.0).

**Author:**

**Sponsoring Director:**

**Duncan Robertson**  
**Policy and Risk Officer**

Cath Denholm  
Director of Strategy

**5<sup>th</sup> August 2015**

## VOLUNTARY REDUNDANCY POLICY

### Purpose of Paper

1. The Board is asked to approve the NHS Health Scotland Voluntary Redundancy Policy (V 2.0).

### Background

2. The Voluntary Redundancy Policy sets out what staff should do if they wish to apply for voluntary redundancy. It outlines when staff are eligible to apply, what the selection criteria are, the procedure for applying and who staff should contact for advice. The policy also provides information on redundancy payments and different types of early retirement for staff wishing to explore this option.
3. NHS Health Scotland, as all other public sector organisations, is operating within a climate of significant cuts in public expenditure and also within a climate of significant organisational change.
4. In the last few years, government and audit level interest in and scrutiny of voluntary redundancy has, understandably, increased. A major focus of the review of our policy, since it was first approved in November 2013, has been the May 2013 Managing Early Departures from the Scottish Public Sector Audit Scotland report, as well as reflection on our practice and experience of applying the policy fairly and consistently.
5. NHS Health Scotland remains determined to find ways of delivering necessary efficiencies in a way that is well planned, that increases efficiency and that safeguards the high quality of its business and supports staff to make the right decisions about their futures.
6. Given that approximately half of our costs are invested in staff, efficiency savings of the scale sought are likely only to be achievable through a permanent reduction in expenditure on staffing and Voluntary Redundancy (VR) is an option which the organisation is prepared to view constructively within this climate.

### Policy Review

7. The NHS Health Scotland Voluntary Redundancy Policy first approved in November 2013. This revised version of the Voluntary Redundancy Policy presented to the Board was reviewed in the early part of 2015.

### Finance and Resource Implications

8. Voluntary Redundancy payments are always based on Section 16 of the Agenda for Change NHS Terms and Conditions of Service Handbook.

Voluntary Redundancy Policy	Page 2 of 4	Version: 1.0
	Date: 05/08/2015	Status: final

9. Voluntary Redundancy payments, NHS Pension Scheme Entitlements and Early Retirement on Grounds of Redundancy for Employees Entitled to Pension Benefits are outlined in Appendix 1 of the NHS Health Scotland Voluntary Redundancy Policy.

**Partnership**

10. The policy has been discussed in full by the Organisational Policy Subgroup (April 2015) in Partnership, as well as at the Partnership Forum (April 2015), Remuneration Committee (April 2015) and Staff Governance Committee (May 2015).

**Communications**

11. A copy of the Voluntary Redundancy Policy will be saved to the Policy sub-section of the Source.

**Risk**

12. The CEO has authority to approve VR decisions provided they do not relate to a member of the Senior Management cohort, do not exceed £100k in overall value and are not judged to be of high risk to the organisation for any other reason.
13. The strongest link to the NHS Health Scotland Corporate Risk register is to Risk 3.1 - As a result of inadequate management of processes for corporate governance and compliance, there is a risk that we will not meet our regulatory, legislative or business continuity obligations. This risk is mitigated by regularly cross referencing the policy with any relevant updated employment law, AfC conditions and applicable guidance from Scottish Government.
14. Where the application for VR pertains to a member of the Senior Manager pay cohort, is estimated to amount to more than £100k or considered for some other reasons to present high risk to the organisation, the decision is approved by the Remuneration Committee. The Remuneration Committee also receives 6 monthly reports for an overview of all voluntary redundancies and there are annual reports to the Audit and Staff Governance Committees.

**Equality and Diversity**

15. No Equality and Diversity implications have been identified in adopting the Voluntary Redundancy Policy - The terms of Voluntary Redundancy set out in the policy can be offered to all staff within NHS Health Scotland who have a contract of employment and meet the eligibility criteria outlined in Appendix 1 in relation to length of service and the SPPA age requirements. As far as the small numbers allow, figures are analysed and reviewed in respect of personal criteria – such as the band of grades applying and being approved.

Voluntary Redundancy Policy	Page 3 of 4	Version: 1.0
	Date: 05/08/2015	Status: final

**Sustainability and Environmental Management**

16. No Sustainability and Environmental Management implications have been identified in adopting the Voluntary Redundancy Policy.

**Action/ Recommendations**

17. The Board is asked to approve the NHS Health Scotland Voluntary Redundancy Policy (V 2.0).

**Duncan Robertson**  
**Policy and Risk Officer**  
**5<sup>th</sup> August 2015**

Voluntary Redundancy Policy	Page 4 of 4	Version: 1.0
	Date: 05/08/2015	Status: final