



SEVERANCE SCHEME FOR STAFF

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January 2013 updated)

	EIS
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1 Introduction

West Lothian College Board of Governors recognise that there are a number of circumstances under which it can be beneficial to both an employee and the College to afford staff the opportunity to consider a voluntary approach to leaving the college. In this regard, the College operates a scheme of Early Retiral and Voluntary Severance for staff. There are two main circumstances in which an employee may submit an application for early retiral/voluntary severance:-

- a) where an organisational change/restructuring programme is in progress
- b) an employee may submit an application at any time

Consideration is given, subject to the availability of financial resources and other factors, where this is deemed to be in the interests of the efficient exercise of the College functions or where a redundancy situation exists.

What follows outlines the details pertaining to early retiral and voluntary severance. Also outlined are arrangements in the event of compulsory redundancy. Full details as to eligibility and benefits can be obtained from the HRM Department.

2 Severance Arrangements

The Board of Governors of West Lothian College have a responsibility to use both public and private funds in a proper and prudent manner, which achieves value for money.

The aim of this scheme is to apply equitable severance arrangements within a framework, taking account of appropriate legislation and guidance from the Scottish Funding Council.

3 Scope

The scheme applies to all College staff and may apply to Managers (i.e. Centre Heads or managers of service departments).

4 Retiral/Severance Arrangements

4.1 Early Retiral

The Principal and Chief Executive is authorised to grant early retirement to employees (excluding senior staff) under the age of 60 but in doing so, will have particular regard to the costs incurred. The Board will be consulted regarding the early retiral and provided with the full details of costs.

Any proposed early retiral in respect of the Principal, or other members of the Principalship/Senior Management Team, must be approved by the Board of Governors.

4.2 Voluntary Severance

All severance arrangements for staff will require the prior authorisation of the Board of Governors. The payment to the employee will be calculated with reference to statutory redundancy pay, based on age and length of service, taking account of actual weekly pay. Pay in lieu of notice may also be awarded where, following value for money considerations, this is deemed to be of benefit to the College.

4.3 Compulsory Redundancy

Any compulsory redundancies will be governed by the 'Protection of Employment Policy & Redundancy Procedure'. Where the Board of Governors consider that redundancy cannot be avoided, payment will take account of actual weekly earnings unless financial circumstances dictate otherwise, in which case the statutory earnings limit will be applied.

5 Re-engagement

Following termination, an employee will not be re-engaged unless this has been agreed by the Principal and Chief Executive. Where re-engagement is offered, it will be for no more than two years on a part-time basis. Any arrangement for self-employed consultant basis will be similarly limited.

6 Responsibilities

6.1 The Board of Governors are responsible for approving all severance arrangements.

6.2 The Remuneration Committee is responsible for making recommendations to the Board of Governors regarding all severance agreements, ensuring the scheme is properly applied and for reporting all relevant severance details.

6.3 The Principal and Chief Executive is responsible for:

- the operation of the scheme in accordance with section 4 and reporting of the same to the Board of Governors.
- making recommendations on early retiral and severance arrangements to the Board of Governors.
- consulting with the SFC where the proposed payment is not in line with the terms and conditions of the Financial

memorandum between the college and SFC effective 1st January 2006.

- notifying SFC Chief Executive if he/she considers that the Board of Governors plan a course of action that is in conflict with or would infringe guidance or instruction, which has been issued to the College.

6.4 The Assistant Principal – Enterprise and Organisational Development is responsible for ensuring that the scheme is reviewed and updated in line with legislation and/or guidance from SFC or other appropriate bodies. Where there are significant amendments, these will be submitted to the Board for approval.

7 Audit

All severance payments to staff will be subject to internal and external audit. Internal auditors will review the systems for the determination and payment of severance settlements. External Auditors will review severance settlements for senior staff and will report such in the College's Annual Accounts.

If internal or external auditors become aware of a proposed settlement that does not materially conform to SFC guidance, they will inform College Management, and the Board of Governors. The Auditors should also recommend that the College inform the SFC immediately or report the proposed settlement directly.