

REPORT TO: CITY GOVERNANCE COMMITTEE - 3 MARCH 2025

REPORT ON: MANAGING THE WORKFORCE OF THE FUTURE

REPORT BY: EXECUTIVE DIRECTOR CORPORATE SERVICES

REPORT NO: 43-2025

1 PURPOSE OF REPORT

- 1.1 To seek approval of a fixed duration Voluntary Severance/Early Retirement scheme with enhancements.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Committee:
- (a) agrees to implement a revised Voluntary Severance/Early Retirement Scheme as outlined in the report; and
 - (b) authorises the Chief Executive, after consultation with Trade Unions, to determine a policy for the scheme and arrange for it to be implemented.

3 FINANCIAL IMPLICATIONS

- 3.1 Savings arising from the implementation of the scheme will contribute to achieving any staffing savings that form part of the 2025/2026 Budget.
- 3.2 A fundamental aspect of the scheme is that any post released will ordinarily have a payback period to recoup costs of no greater than 24 months, with 30 months being considered only under exceptional circumstances.
- 3.3 Where any voluntary severance or early retirement does not realise a net saving in the year it occurs, any costs will require to be funded from balances including the Organisational Change Fund and Service Change Initiatives Fund.

4 BACKGROUND

- 4.1 The Council continues to operate in a challenging financial environment and providing the opportunity for staff to leave through voluntary severance or early retirement is one mechanism that can support a reduction in the workforce.
- 4.2 The Council has previously operated Early Retirement/Voluntary Redundancy schemes which were linked to the Council's Transformation Programme, organisational change and the Council budget. The previous schemes were open for fixed periods of time and employees who met the criteria were able to apply.
- 4.3 Currently the Council has an ongoing policy that was agreed by the Policy and Resources Committee on 24 April 2023 (Article VII of the minute refers), to date there had been limited use of this scheme.
- 4.4 The proposed scheme will run for limited periods and offer additional incentivisation that is expected to provide more opportunities for this voluntary route to be used to assist workforce planning and organisational change in line with our budgetary requirements.

5 POLICIES

Voluntary Severance/Early Retirement

- 5.1 The Executive Director of Corporate Services and Head of People have been liaising regularly with Trade Union colleagues to discuss modernising the Council workforce, including budgetary challenges ahead which may result in changes ways of working/role content and reductions Council jobs. This is also an opportunity to reduce overall employment costs, assist with workforce planning and create career development opportunities.

Such a voluntary scheme may require to be reported under the Trade Union and Labour Relations (Consolidations) Act and, in which case, the Chief Executive will follow this through fully, in conjunction with Trade Union colleagues.

Whilst it is generally the intention that reducing the workforce can be achieved by natural employee turnover, this is not always possible. Where efficiencies can be made through job redesign, improved methods of working or restructuring of services, eligible employees, whose post may not require to be filled, either directly or indirectly, could access the Scheme to leave their employment early.

- 5.2 To facilitate this, it is proposed that the Council seeks volunteers for Voluntary Severance or Early Retirement under a revised scheme.

- 5.3 Key aspects of the scheme will be that:

- it is open to all staff except those employed under Scottish Negotiating Committee for Teachers (SNCT);
- to be eligible, the postholder's post will be removed;
- key skills within the Council will need to be retained;
- there will be flexibility around leaving dates; and
- approved exits achieve a payback saving within 24 months.

- 5.4 Officers are developing a streamlined process for considering applications that will include clear communications so that employees understand the benefits of the scheme and their likely eligibility.

Objectives

- 5.5 A clear and inclusive communications plan will be rolled-out to facilitate and permit early release of an employee whose post will not be back-filled, using appropriate compensatory benefits and where at least one of the following criteria is met:

- to support the delivery of a balanced budget;
- to assist with workforce management to ensure that we have the right people with the right skills in the right place at the right time; and
- to assist in the provision of more responsive, efficient and cost-effective services.

- 5.6 Costs will be critically evaluated against financial savings and other quantifiable organisational benefits derived from an applicant's release.

Options Available to Employees

- 5.7 The scheme will be open to all employees with a minimum of two years' service (excepting those employed under to SNCT terms and conditions). The scheme will provide two options for applicants, depending on their circumstances.

(a) Voluntary Severance

Employees volunteering for severance who are not LGPS members or who are not of an age entitled to access their pension will receive a redundancy payment equal to twice their statutory entitlement.

(b) Voluntary Early Retirement

Employees volunteering for severance who are members of the LGPS and are able to access their pension will receive their accrued pension without actuarial reduction for early retirement along with their choice of either:

- (i) a payment equal to their statutory redundancy entitlement; or
- (ii) added years (either 1, 2 or 3 years depending on service and eligibility*).

The scheme will include flexibility to offer a reduced voluntary early retirement package where this could mean an affordable agreement could be reached with an employee.

**Scheme rules limit eligibility to added years in some circumstances.*

- 5.8 Applications will be approved by the Chief Executive, Executive Director of Corporate Services and Head of People. For any applications under posts which are, as per standing orders, appointed to by Council, normal governance procedures will be followed.

6 POLICY IMPLICATIONS

- 6.1 This report has been subject to an Integrated Impact Assessment to identify impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. An impact, positive or negative, on one or more of these issues was identified. An appropriate senior manager has checked and agreed with this assessment. A copy of the Integrated Impact Assessment showing the impacts and accompanying benefits of/mitigating factors for them is included as an Appendix to this report.

7 CONSULTATIONS

- 7.1 The Council Leadership Team and Trade Unions have been consulted on the terms of this report.

8 BACKGROUND PAPERS

- 8.1 None.

LINDSAY MACINNES
HEAD OF PEOPLE

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

17 FEBRUARY 2025

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Integrated Impact Assessment

Committee Report Number: 43-2025

Document Title: Managing the Workforce of the Future: VSER Approach

Document Type: Policy

Description:

Voluntary Early Retirement/Voluntary Severance Policy

Intended Outcome:

Provide opportunities for employees to apply for Voluntary Early Retirement or voluntary severance.

Period Covered: 03/03/2025 to 31/12/2025

Monitoring:

The proposal will be continually monitored by Officers during the time the scheme is open.

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Dundee City Council

Equality, Diversity and Human Rights

Impacts & Implications

Age: Positive

The scheme has options available to all age groups. Colleagues in the older age group may benefit in terms of the ability to fulfill work-life balance earlier than anticipated.

Disability: Positive

The inclusive approach allows for staff with any underlying conditions (which are nonetheless manageable within existing policies) to be considered for release earlier than anticipated should this meet with the individuals aspirations and plans around work-life balance alongside managing their condition.

Gender Reassignment: No Impact

Marriage & Civil Partnership: No Impact

Pregnancy & Maternity: No Impact

Race / Ethnicity: No Impact

Religion or Belief: No Impact

Sex: Negative

Female employees may have had less opportunity to accrue years of service and pay less into their pension due to caring responsibilities. The open and inclusive approach of this initiative being employee led with allow the Council to consider these requests more widely as to whether these requests can be accommodated.

Sexual Orientation: No Impact

Are any Human Rights not covered by the Equalities questions above impacted by this report?

No

Fairness & Poverty

Geographic Impacts & Implications

Strathmartine:	No Impact
Lochee:	No Impact
Coldside:	No Impact
Maryfield:	No Impact
North East:	No Impact
East End:	No Impact
The Ferry:	No Impact
West End:	No Impact

Household Group Impacts and Implications

Looked After Children & Care Leavers: No Impact

Household Group Impacts and Implications

Carers: No Impact

Lone Parent Families: No Impact

Single Female Households with Children: No Impact

Greater number of children and/or young children: No Impact

Pensioners - single / couple: No Impact

Unskilled workers or unemployed: No Impact

Serious & enduring mental health problems: No Impact

Homeless: No Impact

Drug and/or alcohol problems: No Impact

Offenders & Ex-offenders: No Impact

Socio Economic Disadvantage Impacts & Implications

Employment Status: No Impact

Education & Skills: No Impact

Income: No Impact

Caring Responsibilities (including Childcare): No Impact

Affordability and accessibility of services: No Impact

Fuel Poverty: No Impact

Cost of Living / Poverty Premium: No Impact

Connectivity / Internet Access: No Impact

Income / Benefit Advice / Income Maximisation No Impact

Employment Opportunities: No Impact

Education: No Impact

Health: No Impact

Life Expectancy: No Impact

Mental Health: No Impact

Overweight / Obesity: No Impact

Child Health: No Impact

Neighbourhood Satisfaction: No Impact

Transport: No Impact

Environment

Climate Change Impacts

Mitigating Greenhouse Gases: No Impact

Adapting to the effects of climate change: No Impact

Resource Use Impacts

Energy efficiency & consumption: No Impact

Prevention, reduction, re-use, recovery or recycling of waste: No Impact

Sustainable Procurement: No Impact

Transport Impacts

Accessible transport provision: No Impact

Sustainable modes of transport: No Impact

Natural Environment Impacts

Air, land & water quality: No Impact

Biodiversity: No Impact

Open & green spaces: No Impact

Built Environment Impacts

Built Heritage: No Impact

Housing: No Impact

Is the proposal subject to a Strategic
Environmental Assessment (SEA)?

No further action is required as it does not qualify as a Plan, Programme or Strategy as defined by the
Environment Assessment (Scotland) Act 2005.

Corporate Risk

Corporate Risk Impacts

Political Reputational Risk: No Impact

Economic/Financial Sustainability / Security & Equipment: No Impact

Social Impact / Safety of Staff & Clients: No Impact

Technological / Business or Service Interruption: No Impact

Environmental: No Impact

Legal / Statutory Obligations: No Impact

Organisational / Staffing & Competence: No Impact

Corporate Risk Implications & Mitigation:

There are moderate levels of risk associated with the subject matter of this report. However, having undertaken a full analysis of the upside and downside risks there is a clear benefit in what is proposed and we are satisfied that adequate controls are available to mitigate the downside risks. The downside financial exposure to the Council is less than £250,000 and this together with other areas of risk can be effectively managed

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