



ST HELENS
BOROUGH COUNCIL

MUTUALLY AGREED RESIGNATION SCHEME (MARS)

Human Resources Service
Town Hall
Victoria Square
St Helens
Merseyside
WA10 1HP
October 2023

Version Control

Date	Version	Comments
15 July 2020	1.0	New scheme approved by Cabinet
October 2023	2.0	Amendments approved by DED

1. Introduction

The Council recognises the importance of creating a secure working environment and will take the necessary steps to ensure continuity of employment, wherever possible, by thoughtful workforce planning that ensures the effective, economic and efficient provision of service.

This scheme sets out the Council's approach to dealing with potential voluntary severance and has been designed for occasional use, as required by the Council, in order to make budgetary savings or enable development opportunities. **It does not form part of an employee's terms and conditions of employment and may be subject to change at the Council's discretion.**

The scheme can only be accessed at a time determined by the Chief Executive acting on behalf of the Council and employees have complete discretion to apply when the scheme is open and the right to withdraw at any time up to formal legal sign off with a settlement agreement.

2. Principles

The Mutually Agreed Resignation Scheme (MARS) will be used by the Council to meet the financial challenges, workforce reductions and other efficiency needs and help to increase our flexibility and be able to address periods of rapid change.

Under MARS an employee can apply to resign from their employment on a mutually agreed date with an additional payment. The additional payment is calculated in accordance with the approved payment table which is Appendix 2 of the scheme. **MARS is not a redundancy payment and as it is a resignation it does not provide access to pension entitlements in itself.**

MARS enables individual employees, in agreement with the Council, to choose to leave their employment voluntarily in return for a discretionary 'severance' payment. This creates job vacancies that may be filled by the redeployment of staff from other jobs or for those seeking career developments.

By using this approach, it is hoped it will create sufficient turnover to avoid future compulsory redundancies, enable the redeployment of resources to higher priority areas of work and reduce costs in lower priority areas.

3. Purpose

A range of strategies are being deployed across the Council with the aim of maximising efficiency and creating a more flexible workforce whilst meeting the current financial pressures. This scheme will assist in addressing some of the financial pressures the Council is currently facing. We are also aware that some staff may wish to consider career or lifestyle changes and this scheme is open to all staff (with some exclusions – see Section 5).

4. Business Case

MARS applications must demonstrate that the departure of an employee on severance terms would be in the financial and operational interests of the Council.

The business case to be prepared by management (Appendix 1) for consideration of an employee to leave under MARS should demonstrate:

- Why the additional payment represents value for money.
- That application of the scheme will not have an adverse effect on service delivery.

Due consideration must also be given to the [Statutory guidance on the making and disclosure of Special Severance Payments by local authorities in England - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

5. Eligibility

All permanent employees, with at least one year's continuous service, are eligible to apply, however, there are some exclusions:

- Employees employed by a School
- Employees who are in a consultation process which may result in their role being at risk of redundancy.
- Employees who have indicated their intention to resign and/or retire prior to the scheme going live.
- Where an employee has already secured employment with another employer.
- Where an employee has been notified of the date of the termination of their contract of employment for any other reason.
- Temporary Employees, Consultants, Casual Workers and Apprentices are not eligible to apply.

It is entirely a decision for each employee to decide whether to apply or not as this scheme is voluntary and not contractual. The Chief Executive acting on behalf of the Council can decide to offer the scheme whenever it is considered appropriate to and has the right to change the terms and conditions of the scheme as required.

6. Application Process

Invitations to apply, together with the process and any time limits for doing so, will be communicated to staff by a range of communication methods. Applications will be via MyView and through a formal application and objective approval process.

This scheme and the FAQs set out comprehensive rules and conditions relating to the scheme, to ensure transparency, clarity and financial probity.

The relevant Head of Service, in consultation with People Management and Finance, will develop a business case for each application. The business case will always require an ongoing saving sufficient to recover costs and provide additional budgetary savings. Staff

accepting a severance payment will be required to sign a MARS settlement agreement and it should be noted that the settlement agreement will not contain a confidentiality clause.

A business case will be prepared which demonstrates that the costs of the early exit will be recovered through salary savings within a specified period of the termination date, and that there is an ongoing saving in that and future financial years. The saving could be achieved by simply not replacing posts or replacing them in a different way.

The budget savings identified as a result of the scheme are to be ringfenced for structural redesign across the organisation.

Acceptance of any application for MARS will be entirely at the Council's discretion. Criteria that may be taken into consideration may include:

- Whether the service area is under consultation for reorganisation, at risk of redundancy etc.
- Retention of relevant skills/experience that cannot be replaced at lower cost
- Whether there is anyone else who can undertake the work
- Compassionate grounds or other special circumstances
- The employee's ability to adapt to future changes and requirements
- Creation of internal job/promotion opportunities which provide for succession planning
- Potential impact on other staff

Each application will be considered on a case-by-case basis taking into account service/business requirements, function, structure, job role and affordability.

Following a review of the business case by the Executive Management Board the application may be accepted or rejected at their discretion.

As required by the statutory guidance on the making and disclosure of Special Severance Payment by local authorities, the application will also require approval in accordance with the approval process set out in the Council's Pay Policy Statement.

A decision on their application will be sent to individual employees. If an application is unsuccessful an outline will be provided to the individual of the reason(s) for the decision.

The main criteria used to reject an application are as follows:

- Where an employee application would not be cost effective.
- If the substantive post is unable to be filled due to skill shortages or difficult to recruit.
- If there is a risk to business continuity.
- If there is another substantive Council service risk due to the removal of critical skills or experience that is unlikely to be replaced within a reasonable timetable.
- The employee is going through formal disciplinary or the latter stages of capability or attendance management procedures.

There is no right of appeal against non-selection for MARS.

Employees accepted under the scheme cannot return to the Council's employment or undertake work in the same or similar role, for a period of 2 years.

7. MARS Severance Payments

The Payment Table (see Appendix 2) details the severance payments which are based on the employee's reckonable service calculated on the Redundancy Payments Modification Order (RPMO) regulations. The Council reserves the right to review this payment table prior to each round of application invitations. Payments are based on:

- Employees with 1-6 completed years' service (as at the agreed date of leaving) will receive the equivalent of 12 weeks' basic pay.
- Employees with 7- 25 completed years' service (as at the agreed date of leaving) will receive 12 weeks' pay plus an additional 1 week's basic pay for each additional year's service up to a maximum of 31 week's basic pay.
- Employees with 26 plus completed years' service (as at the agreed date of leaving) will receive a maximum of 32 week's basic pay.

The Council's understanding of the current HMRC guidelines is that the first £30,000 of any severance payment qualifies for tax exempt status.

8. Annual Leave

Employees will be asked to use their annual leave prior to their last day of service. If this is not possible due to operational requirements any outstanding leave that is due until the last day of employment will be paid in lieu. This must be agreed with the employee's line manager prior to their leaving date being finalised.

9. Salary Sacrifice Schemes

Where employees are participating in salary sacrifice schemes at the time of their resignation, payments will be calculated, as there may be an early termination charge. Employees are advised to contact their scheme administrator about this as part of their consideration as to whether to apply for this scheme.

10. Equality

The Council will ensure that, when implementing this procedure, no employee will be disadvantaged on the basis of their gender or transgender, marital status or civil partnership, racial group, religion or belief, sexual orientation, age, disability, pregnancy or maternity or caring responsibility. This means that the Policy may need to be adjusted to cater for the specific needs of an individual including the provision of information in alternative formats where necessary.

11. Monitoring

Data relating to MARS terminations will be collated after each period the scheme is used to ensure that the Policy is operating fairly, consistently and effectively. Issues that are identified from the data will be dealt with appropriately.

12. Review

The policy will be reviewed in the light of operating experience and/or changes in legislation. In addition, a review of the MARS will be undertaken in accordance with the standard 3-year review process.

MARS APPLICATION BUSINESS CASE

Service Impact Assessment for MARS applications

Service Area:	
Name of manager completing Service Impact Assessment:	
Name of employee submitting a MARS application:	
Job role of the employee submitting the MARS application:	

Eligibility Criteria Part 1	Please indicate: Yes / No	
Is the employee a permanent employee of the Council?	Yes	No
Has the employee at least one year's continuous service on (date tbc but the final date for applications to be approved/otherwise by CLT)?	Yes	No
<p>If you have answered yes to all of the questions above, please continue to Eligibility Criteria Part 2.</p> <p>If you have answered <u>no</u> to any of the questions above, please do not complete any further questions and return the form to People Management.</p>		
Eligibility Criteria Part 2	Please indicate: Yes / No	
Is the employee employed by a school?	Yes	No
Has the employee indicated that they wish to resign or retire prior to 11 March 2024 (the latest date after decision made plus 12 weeks for longest period of notice)?	Yes	No
Has the employee already secured employment with another employer?	Yes	No
Is the employee currently going through Disciplinary proceedings?	Yes	No
Is the employee on a temporary contract do they have less than 1 years' service?	Yes	No
Is the employee's post in scope to transfer out of the Council as part of TUPE regulations?	Yes	No
Has the employee been notified of the date of the termination of their contract of employment for any other reason?	Yes	No

If you have answered **no** to all of the questions above, please continue to the **Service Impact Assessment**.

If you have answered yes to any of the questions above, please do not complete any further questions and return the form to People Management.

Financial Impact

These questions should be completed in conjunction with your Finance Business Partner

Is there a revenue budget available for this post to take the saving from? (Please provide details of the centre code and amount)

What is the salary cost of the person in post? – using FTE and salary lookup tables, including NI, apprenticeship levy and pension on-costs where appropriate.

Is the post funded or part funded from grant or any other source of income e.g. capitalisation, external income, grant, etc. Please provide details of source and amount of income and whether you expect the income to cease in whole or in part following the departure of the postholder.

Please state what the costs of the early exit will be, and how they will be recovered through salary savings within a specified period of the termination date

Please state if there is an ongoing saving in this and/or future financial years.

Are there any other medium-term financial savings proposals which may affect staffing budgets in this service? Please give details:

Service Impact

These questions should be completed in conjunction with your People Management Business Partner

Please explain if there are any known difficulties associated with recruiting this post. Please note any relevant skill shortages or specific problems experienced previously when recruiting this role previously.

Please explain if there will be any risk to business continuity associated with this employee's application.

Do you consider this employee to have critical skills?

Yes: No:

If you indicated yes to the question above, please provide details below of the critical skills that will be lost and the impact that this will have on other Council Services.

Please provide details of the impact on others within the team associated with this application.

Please provide details of how the work that the employee undertakes will be completed or adapted if the employee's MARS application is successful.

Please provide details of the plans of how the knowledge transfer will take place between the employee and the team.

Please provide details of future internal career development and or succession plan opportunities that will be created as a result of this application being approved.

Please comment on the employee's ability to adapt to changes and requirements.

Please provide details of any substantive business reason that is likely to impact the service area, team or residents should this application be approved.

Please add details of any special circumstances that the panel should consider when reviewing this application.

If the application for MARS is successful, the employee would normally be expected to work their statutory notice period (up to 12 weeks dependant on their length of service). Please can you give the business reason and proposed date if you are requesting an earlier or later date of leaving to be considered.

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Completed by:		
Assistant Director / Head of Service: Name:	Signature:	Date:
People Management Business Partner: Name	Signature:	Date:
Finance Business Partner: Name:	Signature:	Date:
Decision:		
The application is:	Approved	Rejected
Reason:		
<p>In accordance with the approval process in the Council’s Pay Policy Statement as required by the statutory guidance on the making and disclosure of Special Severance Payment by local authorities, this will also require approval by *DELETE AS APPROPRIATE - Operational Decision (below £20,000) / the Chief Executive and the Leader of the Council (£20,000 to £99,000) / full Council (£100,00 plus).</p>		

Appendix 2

MARS Payment Table

Reckonable Service (completed years' of continuous local government service will be counted)	Scale of payment (Number of weeks basic pay)
1	12
2	12
3	12
4	12
5	12
6	12
7	13
8	14
9	15
10	16
11	17
12	18
13	19
14	20
15	21
16	22
17	23
18	24
19	25
20	26
21	27
22	28
23	29
24	30
25	31
26 +	32