
Report to: Audit and Scrutiny Committee

Date of Meeting: 11 December 2025

Subject: Management Information: Voluntary Severance, Early Retirement, and flexible Retirement Packages

Report by: Senior Manager (HR and Workforce Development)

1.0 Purpose

- 1.1. This paper provides Committee with an overview of the number of early retirements, voluntary severances, and flexible retirements approved during the previous financial year, including any associated costs and savings.

2.0 Recommendations

- 2.1. That Committee notes, comments and challenges as appropriate.

3.0 Considerations

- 3.1. In October 2025 Council approved that an annual report would be submitted to the Audit and Scrutiny Committee detailing the number of early retirements, voluntary severances, and flexible retirements approved during the previous financial year, including associated costs and savings.
- 3.2. Clackmannanshire Council has a number of Council approved policies related to redesign, redundancy and retirement.
- 3.3. The Council's organisational change protocols and Severance Policy were approved in 2020, with the Flexible Retirement Policy approved in 2021.
- 3.4. The Local Government Pension Scheme – Employer's Discretionary Functions Policy was approved in 2015 and amended in 2018 following the introduction of the LGPS (Scotland) Regulations 2018.
- 3.5. These policies apply consistently to all staff, regardless of grade or level, and align with the relevant pension scheme provisions.
- 3.6. Under the Councils financial regulations any extraordinary payments made to staff such as payments made for mutual termination, redundancy or severance, that are outwith the standard terms of the policy, must be approved by the S95 Officer.

- 3.7. Under the Local Government Pension Scheme, members after age 55 and before Normal Pension Age (including those released on flexible retirement grounds) can choose to access their benefits but may incur an early payment penalty (actuarial reduction). Clackmannanshire Council will not, as a matter of course, waive in whole or in part any reduction that would be applied under the regulations meaning there is no cost incurred by the Council.
- 3.8. Approval for flexible retirement is granted by the Section 95 Officer and endorsed by the Strategic Director (Partnership and Performance), provided:
- There is no strain cost;
 - The proposed reduction in grade or hours aligns with policy; and
 - The revised salary and pension do not exceed the pre-retirement salary.
- 3.9. All exit packages related to Voluntary Severance are considered by the Council's Clearing House, which is comprised of the Chief Executive and S95, supported by the Senior Manager HR and Workforce Development.
- 3.10. The purpose of the Clearing House is to ensure fairness to individual employees whilst balancing the financial needs/minimising costs to the Council when agreeing to packages being offered
- 3.11. The Clearing House are provided with details of the financial settlement available to staff together with the associated costs to the Council and an indication as to whether or not the costs can be recovered within 2 years.
- 3.12. When deciding whether to offer Compensatory Added Years (if applicable) the Clearing House will consider the full financial settlement and the associated cost and agree the appropriate amount of years to be added.
- 3.13. In line with Council policy, where a Voluntary Severance situation is approved but the post is to be maintained alternative savings must be identified which meet the criteria for affordability.

Numbers and associated costs

- 3.14. Full figures relating to early retirement, voluntary severance, and flexible retirement are outlined at table 1 below.

	Early Retirement	Voluntary Severance	Flexible Retirement
Health & Social Care Partnership	6	1	1
Partnership & Performance	7	1	1
People	16	4	3
Place	8	3	5
Grand Total	37	9	9

3.15. Costs associated with voluntary severance are outlined in table 2 below:

	Early Retirement	Voluntary Severance	Flexible Retirement
Health & Social Care Partnership	£ -	£ -	£ -
Partnership & Performance	£ -	£ 49,151.58	£ -
People	£ -	£ -	£ -
Place	£ -	£ 97,087.87	£ -
Grand Total	£ -	£ 146,239.45	£ -

3.16. It should be noted that some voluntary severances do not attract costs (e.g. strain payments) where the member of staff is above the state pension age, and therefore where a figure may appear in table 1, there may not be any associated cost as outlined at table 2.

3.17. Savings associated with voluntary severance are outlined at Table 3 below.

	VS Savings
Health & Social Care Partnership	£1,203.00
Partnership & Performance	£43,009.00
People	£46,766.00
Place	£92,444.00
Grand Total	£183,422.00

4.0 Sustainability Implications

4.1. None

5.0 Resource Implications

5.1. Financial Details

5.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate. Yes ☒

5.3. Finance have been consulted and have agreed the financial implications as set out in the report. Yes ☒

5.4. *Staffing*

6.0 Exempt Reports

6.1. Is this report exempt? Yes ☐ (please detail the reasons for exemption below) No ☒

7.0 Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1) Our Priorities

Clackmannanshire will be attractive to businesses & people and ensure fair opportunities for all ☐

Our families; children and young people will have the best possible start in life ☐

Women and girls will be confident and aspirational, and achieve their full potential ☐

Our communities will be resilient and empowered so that they can thrive and flourish ☐

(2) Council Policies

Complies with relevant Council Policies ☒

8.0 Impact Assessments

8.1 Have you attached the combined equalities impact assessment to ensure compliance with the public sector equality duty and fairer Scotland duty? (All EFSIAs also require to be published on the Council's website)

No ☒

8.2 If an impact assessment has not been undertaken you should explain why:

This reports presents number and financial figures for noting as part of regular updates on HR policy implementation. There is no decision required, and as such no EQIA is to be undertaken.

9.0 Legality

- 9.1 It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers. Yes ☒

10.0 Appendices

- 10.1 Please list any appendices attached to this report. If there are no appendices, please state "none".

None.

11.0 Background Papers

- 11.1 Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at which the report is considered)

Yes ☐ (please list the documents below) No ☒

Author(s)

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Approved by

NAME	DESIGNATION	SIGNATURE
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