

# Respondent Information Form

**Please Note** this form **must** be completed and returned with your response.

Are you responding as an individual or an organisation?

- Individual  
 Organisation

Full name or organisation's name

Colleges Scotland

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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name  
 Publish response only (without name)  
 Do not publish response

### Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes  
 No

# Response to the Consultation on Severance Arrangements Across the Devolved Public Sector

## Introduction

Thank you for agreeing to an extension to the deadline for responses to the consultation on severance arrangements across the devolved public sector in Scotland.

Colleges Scotland is the voice of the sector, representing all 26 colleges in Scotland across 13 regions. The college sector employs around 11,000 staff, with approximately half of these lecturers and the other half support staff.

Colleges, as public bodies, are expected to ensure value for money for the public purse, whilst maintaining fair and equitable arrangements for severance. It is also important to provide as much flexibility as possible, within any set parameters, to allow public bodies to make the appropriate operational decisions.

## Preferred Approach

Colleges Scotland has carefully considered the policy options laid out in the consultation paper, and reviewed these in accordance with the stated aims of the Scottish Government as laid out in the document. The conclusion reached is that the college sector, and most likely the wider public sector, is best served by maintaining the current arrangements. That is Option 1 ("Status quo") in the consultation document.

This approach is suggested for the following reasons:

- The governance rules around severance payments within colleges have already been tightened over the last few years. For example, colleges are now required to operate in accordance with the Scottish Public Finance Manual which requires colleges to seek approval both for severance schemes and for any exceptional payments, and complying with the agreed Financial Memorandum is now a Condition of Grant for colleges.
- Scottish Ministers appoint the chairs of college boards, creating a more direct line of accountability.
- The much tighter controls referred to above also include the requirement to gain specific agreement from the Scottish Funding Council (SFC) for most categories of severance payments. For example:
  - the SFC, in the Financial Memorandum it has issued to colleges, set out a series of key requirements for how colleges should process severance payments
  - guidance on severance has been developed
  - the SFC has the power to call to account anyone who has not applied good practice and, where appropriate, to recover funds from the college.
- The data presented in the consultation document (see Tables 3 and 4 on pages 20 and 21 respectively) suggests that small percentages of college staff would be impacted by any changes to the current arrangements for the college sector.
- The data also shows (see Table 2 on page 20 of the consultation document) that the average exit payment is lowest in the college sector already.
- The introduction of an exit payment cap would reduce workforce planning ability for colleges, which given the restriction on public body compulsory redundancies through Scottish Government policy, reduces further a college's ability to manage its workforce. The importance

for colleges to be able to plan their workforce has been highlighted by Audit Scotland, which in its Scotland's Colleges 2016 report recommended that colleges "*implement a more systematic approach to workforce planning to ensure that they have the appropriate resources and skills to achieve their strategic goals*".

## **Potential Payments Included in the Cap**

The consultation document seeks views on the relative merits of whether pension 'top-ups' should be included in the cap. Such 'top-ups' could include:

- Employer costs of providing early unreduced access to pensions
- Other forms of pension payments.

Notwithstanding the points made earlier in relation to our preference for the current arrangements, Colleges Scotland does consider it important to highlight that the inclusion of certain pension 'strain costs', examples of which are set out above, could leave those employees on a below average wage level potentially caught by any exit payment cap. Colleges Scotland would suggest that this group of people is not the intended focus of any proposed changes, and that there is a risk of unwelcome unintended consequence if these types of cost were included.

Colleges Scotland  
July 2017