

## **MARS (MUTUALLY AGREED RESIGNATION SCHEME) Policy**

### **1. Policy Statement**

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 policy sets out the Council's approach to dealing with potential voluntary severance and this scheme 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 including management costs and 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 part of the Guidance notes for the scheme. **MARS is not a redundancy payment.**

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 exemptions – see below).

### **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 to leave under MARS should include:

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

### **5.Eligibility**

All permanent employees of Cheshire East Council, with at least one year's continuous service, are eligible to apply, however there are some exemptions:

Employees employed by a School or ASDV

Employees who are yet to have their probationary period confirmed.

Posts that are under review as part of the Council's managing change or restructuring process.

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 staff employed through an Agency, Contractors, 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 in writing and through a formal application and approval process.

The MARS guidance, FAQs and Application process set out comprehensive rules and conditions relating to the scheme, to ensure transparency, clarity and financial probity.

The Executive Director for the service will consider applications and decisions will be made in discussion with the relevant Head of Service and HR based on a business case for each application developed by the Head of Service. 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.

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

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

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

## **7.MARS Severance Payments**

The MARS guidance document contains details of the Payment Table which is based on the employees reckonable service calculated on the RPMO regulations. The Council reserves the right to review this payment table prior to each round of application invitations.

## **8.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.

## **9.Equality**

Cheshire East 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.

## **10.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.

## **11.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 by Head of Strategic HR after a 12 month period and the outcome of that review reported to Staffing Committee and Cabinet.

Useful Links:

Prepared by:

HR Policy and Strategy Team

Date:

25.1.18

Review Date:

To be reviewed after the first application process.