



Cabinet Office



Civil Service Pensions

Civil Service Compensation Scheme

Scheme Application Form – Guidance for Completion of Bulk exits

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Purpose

The purpose of this guidance note is to support you on the technical areas when completing the appropriate form(s) and supporting business case(s) for Cabinet Office's consideration. The form(s) should be completed in conjunction with the CSCS guidance, which can be found at [Annex 6F of the Employers Pension Guide](#).

Approval(s)

Employers must have Cabinet Office approval to run any single exit or bulk exit scheme(s) under the Civil Service Compensation Scheme (CSCS). No offer(s) should be made to staff in any circumstance without prior approval.

Please note that explicit Cabinet Office Ministerial approval is required for;

- any exit scheme(s) involving 20 or more staff, and;
- any exit with a value of over £95,000 (this also includes exits that have been approved previously as part of a bulk scheme).

Please note: proposals for such payments by the devolved administrations in Scotland or Wales, or by public bodies (e.g. Arm's length bodies, Government-owned companies, and other statutory and non-statutory bodies) which report to or are funded by those administrations will require approval from Scottish Ministers or the Welsh Ministers, as appropriate, and **do not** require Cabinet Office approval.

Constituent parts of the Scottish Administration, bodies sponsored by the Scottish Government (SG) and any other organisations to which the [Scottish Public Finance Manual \(SPFM\)](#) applies do not require Cabinet Office approval. However, they should ensure compliance with any relevant severance provisions and procedures contained within the SPFM.

For organisations and public bodies which report to or are funded by Welsh Ministers, all initial queries should be submitted to the Welsh Government Public Bodies Unit, email address: CyrffCyhoeddus.PublicBodies@gov.wales.

If you are in any doubt as to whether approval is required from the Government within the devolved administrations or Cabinet Office, please first contact the relevant administration in [Scotland](#) or Wales. If further information is needed, then please contact the Cabinet Office, email address: redundancyschemes@cabinetoffice.gov.uk

Applications for approval must be submitted on the following forms, and can be found in [Section 6 of the EPG](#).

- Application for single person scheme over £95,000.
- Application for a single person scheme – This is an application for Single exits where packages are less than £95k.
- Application for a bulk scheme.

Please note: if you have received approval for a bulk scheme and an individual's package is in excess of £95,000, you will be required to gain further approval.

Application forms and any queries about the process should be sent to redundancyschemes@cabinetoffice.gov.uk

For constituent parts of the Scottish Administration, bodies sponsored by the Scottish Government and any other organisations to which the SPFM applies, all business cases should be submitted to the appropriate sponsor team, if you have any queries please contact the [Severance Policy for Scotland team](#). There is also a condensed scheme identifier application form available on the [SPFM](#). This form should be used instead of the Cabinet Office form to obtain the necessary scheme identifier number from MyCSP (once approval from Scottish Ministers has been received on the organisations business case), email address: Exit.schemes@mycsp.co.uk

For organisations and public bodies which report to or are funded by Welsh Ministers, all CSCS application forms should be submitted to the Welsh Government Public Bodies Unit, email address: CyrffCyhoeddus.PublicBodies@gov.wales. Again, this should be used instead of the Cabinet Office form to obtain the necessary scheme identifier number from MyCSP.

Timing

Please note: Exits below £95,000 or bulk exits of less than 20 staff are dealt with normally within 10 working days. Exits over £95,000 and any bulk exits of 20 or more staff are subject to ministerial scrutiny and Cabinet Office aim to submit these for ministerial decision **once a month**. To ensure applications are considered promptly, all relevant information should be with the Redundancy Schemes Team by the 17th of each month. Cabinet Office will aim to put applications to the minister in the same month. Organisations should allow two months in their redundancy planning measures for ministerial scrutiny of the application. Where the information requested is not received by this date, the application will be delayed until the following month. **This does not apply to applications related to Scottish or Welsh Government bodies.**

Additional scrutiny of bulk schemes for 20 employees or more

All bulk exit schemes for 20 employees or more will be referred to the Minister for the Cabinet Office (MCO) for approval. To support the application, you should include a short background business case as part of the application. As a minimum, we would expect an explanation of the following:

- The rationale for the scheme.
- Why the scheme represents value for money, particularly referring to the tariff used and the rationale for Employer pension buy out (if offered in VE)
- The overall cost of the scheme against savings to be made.
- Confirmation that the Employer is retaining skills needed for the future.
- The attempts made to redeploy either internally or externally.

Please note: approval of a bulk exit scheme will be provisional only. All single exits included in the bulk exit scheme that cost £95,000 or more will need to be referred back to Cabinet Office for further approval. You must complete an application form for a single exit above £95,000 for each of these individual high value exits.

Completing the form(s) – Part one

You will need to insert the name of your Department or Organisation into the box provided.

Type of departure and Flexibilities (incl. tariff)

Where staff are in scope for an exit exercise you should consider the type of exit scheme required: Voluntary Exit (VE); Voluntary Redundancy (VR); or Compulsory Redundancy (CR). You will need to put an 'X' in the relevant box(es).

TIP: For many situations VE schemes may be the most appropriate and quickest approach.

If appropriate, you may apply for all three schemes at the same time (VE/VR/CR). When approved, each scheme will be allocated a separate identifier to ensure MyCSP can process quotes/awards appropriately.

Flexibilities

Voluntary Exit Scheme (VE)

There are a number of flexibilities available which, are as follows. You will need to put an 'X' in any of the flexibilities that you wish to apply for your scheme.

- Employer can determine the **tariff offered** – you do not have to offer the standard tariff of one months' salary (Capped at 21 months). Employers may include a higher tariff up to two x standard, or a lower tariff as a percentage, decimal, set or capped amount.

Employers should expect Cabinet Office challenge on the degree to which you have explored whether it is possible to achieve voluntary exits on less than the standard terms.

- Employer funding of early access to unreduced pension (often known as 'pension buy out' or 'pension top up').

This provision may increase the value of the exit package (significantly in some cases) and Employers will need to justify why this option has been chosen.

Guidance on discretion to vary qualifying service is contained in Annex 6F. You will need to provide further justification on the use of the flexibilities within Part 2 of the application.

Voluntary Redundancy Scheme (VR)

The flexibilities under VR are limited. Employers must:

- offer the standard tariff; **and**
- offer pension buy out (to eligible staff in accordance with the CSCS rules); and
- refer to Annex 6F about flexibility to vary qualifying service.

Compulsory Redundancy (CR)

The flexibilities under CR, like VR, are limited. An employer must offer the standard tariff.

There is no discretion under CR to vary the qualifying service or to offer the early access provision (employer top up).

Individuals must have been offered a VR scheme in the first instance in accordance with the CSCS rules. Employers must be explicit when offering VR terms that the individual is at risk of CR. The CR scheme, when run, must be linked to the previous VR scheme unique identifier. Schemes approved jointly (VE/VR/CR) will be allocated separate unique identifiers.

Notes

This section provides you with an opportunity to provide any additional information that you feel is required such as TUPE terms, details of any tariff under standard that is a comparison of terms such as best of three weeks for every year or 12 months.

To proceed with VR and/or CR schemes, you will need to confirm that formal consultation has begun.

You will need to input the number of exits and quotations that you anticipate to be under the scheme(s) that you are requesting. If you are planning to launch various schemes ensure you put in the numbers relevant to the anticipated scheme. You will be required to provide MyCSP with more information relating to this when completing Part 2.

You will also need to include your anticipated date of exit.

TIP: You should have contacted the Scheme Administrator (MyCSP) to ensure delivery of your scheme will be possible.

Please ensure that you sign the form. Without a signature, your form will not be progressed.

Completing the form(s) – Part two

Rationale

You will need to provide the reason for the proposed scheme by answering yes or no to the rationales listed. You will also be asked to expand on your reason why you believe that launching a scheme is appropriate and justified.

If you intend to launch a VR and/or CR scheme, you will need to explain why you do feel that a VE scheme is appropriate.

Selection criteria

The selection criteria used by employers for any exercises they run will be scrutinised by Cabinet Office or by the Scottish or Welsh Ministers where appropriate. It is important that employers consider carefully the rationale for the exit scheme and the criteria they will use to select people for exiting the organisation. It is for employers to consider the criteria they use for exit schemes but as part of the approval process. The Minister for Cabinet Office will expect all employers to have considered three broad criteria, value for money, overall cost, and retention of key skills. This is required for VE, VR and CR schemes.

Redeployment

Under the 2016 Cabinet Office Protocol, you are required to provide information on what attempts have been made to mitigate against redundancy by redeploying the individual both within your organisation and with other Civil Service employers. You are also required to engage with the Cabinet Office-led Recruitment and Redeployment Working Group (RRWG), except where your organisation reports to Scottish or Welsh Ministers.

Projected numbers of exits and estimated costs

As suggested within the guidance at Part 1, you are required to provide further information/detail on the following:

- the numbers of exits/redundancies.
- intended dates.
- associated costs.

Voluntary Exit Scheme (VE) Flexibility Justifications

As suggested in part 1 of this guidance, this is the where you are required to provide further justification on the flexibilities that you may have included within your scheme. If the flexibility does not apply to your scheme, you should add N/A.

Points to note

Employers should note the following:

- All sections of the form must be completed. If a section is not relevant, e.g. if there is no deviation from the standard tariff that section of the form should be marked 'not relevant'.
- Arm's length bodies and non-departmental public bodies must gain relevant approvals from their sponsor departments **before** the form is submitted to Cabinet Office.
- It is the employer's responsibility to ensure that the information and costs recorded on the form are accurate.
- Under no circumstances should the employer make offers to individuals without first having Cabinet Office approval for the exit(s).
- If the cost of an exit increases, the employer must refer it back to the Cabinet Office for further approval.