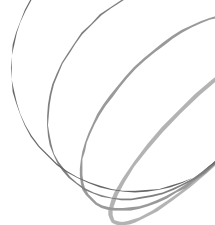


Equality Impact Assessment

Voluntary Early Release Scheme

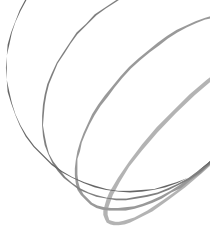


Audit Scotland Equality Impact Assessment

Policy Title ¹	Voluntary Early Release Scheme (VERA)
Strategic Outcome	Audit Scotland is exploring ways to achieve business efficiencies, ease budget pressures and improve operational effectiveness in a way which is sustainable into the future. The VERA scheme is one method of supporting this outcome.
Directorate	Corporate Services Group
This policy/function will have no impact on people from any of the equality groups and an EQIA is not required. OR We have completed the equality impact assessment for this policy. (delete as appropriate)	Name: Jennifer Summers Position: Senior HR Consultant Date: 30.06.11
Approval by Director on behalf of Business Group Management Team	Name: Diane McGiffen Position: Chief Operating Officer Date:30.06.11
Sign off by the Diversity & Equality Steering Group (DESG) Chair on behalf of the DESG members	Name: Angela Canning Date:02.08.11

Once the EQIA documentation has been completed and signed off arrangements will be made by the Diversity & Equality Steering Group and communications team to publish the summary results from the EqIA on Audit Scotland's website.

¹ Throughout this documentation we use the word **POLICY** to mean any activity, function, strategy, programme, service or process which is being considered for Impact Assessment.



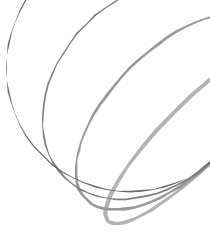
Step 1: Define the aims of the policy

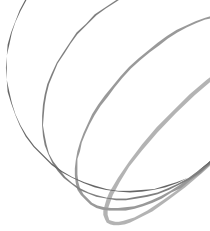
Title of policy	Voluntary Early Release Arrangement (VERA)
Strategic Outcome	Audit Scotland is exploring ways to achieve business efficiencies, ease budget pressures and improve operational effectiveness in a way which is sustainable into the future. The VERA scheme is one method of supporting this outcome.
Directorate	Management Team

What is the purpose of the proposed policy (or changes to be made to the policy)?	A voluntary early release takes place when Audit Scotland and an employee mutually agree to end the employment contract for efficiency reasons on a specified date.
Who is affected by the policy or who is intended to benefit from the proposed policy and how?	All employees at Audit Scotland, as all employees have access to the VERA scheme.
How have you, or will you, put the policy into practice, and who is or will be responsible for delivering it?	The VERA scheme was launched during December 2010, inviting employees to submit a request. This policy has been approved by Audit Scotland Remuneration Committee and Management Team. It has been designed in consultation with the PCS union as part of Audit Scotland's commitment to partnership working with the PCS branch. Human Resources, in conjunction with Management Team are responsible for the VERA scheme.
How does the policy fit into our wider or related policy initiatives?	<p>The VERA scheme forms part of a range of business initiatives focusing on improving efficiency and effectiveness throughout the organisation.</p> <p>It is worth noting that there are a small number of Audit Scotland employees who are part of the civil service pension scheme when they joined Audit Scotland (legacy terms). All other employees have access to joining the Lothian Pension Fund.</p>

Do you have a set budget for this work?

In order for a VERA application to be successful, it must demonstrate 25% of salary savings over a three year period.

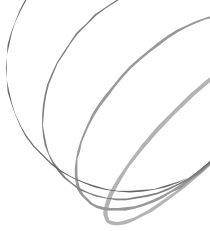




Step 2: What do you already know about the diverse needs and/or experiences of your target audience?

Do you have information on				
Age	Yes	x	No	
Disability	Yes	x	No	
Gender	Yes	x	No	
Lesbian, Gay, Bisexual & Transgender	Yes	x	No	
Race	Yes	x	No	
Religion and Belief	Yes	x	No	

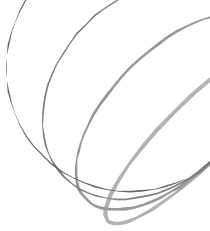
Age	Evidence: Monitoring data from 2009/10 shows our staff age profile as having the largest proportion of staff in the 35-49 age range, which represented 43% of all staff. The smallest proportion of staff were within the 16-24 bracket, representing 4% of all staff. <i>(Equality annual review 2009/10).</i>
Disability	Evidence: 14 employees declared themselves as having a disability. This represents 4.6% of staff at Audit Scotland. <i>(Equality annual review 2009/10).</i>
Gender	Evidence: 49% Male; 51% Female <i>(Equality annual review 2009/10).</i>
Lesbian, Gay, Bisexual & Transgender	Evidence: 5.5 per cent of staff identified themselves as gay, lesbian or bisexual. Eleven per cent of respondents chose the option 'prefer not to say'. No respondents identified themselves as transgender. <i>(Audit Scotland staff survey (September 2009)</i> <i>Note - The survey was completed by 203 members of staff (84.2%).</i>
Race	Evidence: 98.3% White; 1.7% Minority Ethnic <i>(Equality annual review 2009/10).</i>
Religion and Belief	Evidence: 44% of staff stated that they did not have a religion or faith. Ten per cent of respondents chose the option 'prefer not to say'. 18.7% said Church of Scotland, 12.3% Roman Catholic, 9.9% Other Christian, 4.4% Other and 0.5% Jewish. <i>(Audit Scotland staff survey (September 2009)</i>



Step 3: Do you have enough information to help you understand the diverse needs and/or experiences of your target audience?

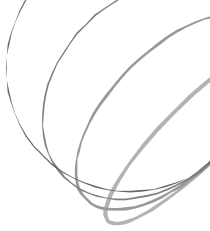
If not, what else do you need to know?

Age	Do you have enough information to proceed?	<u>Yes</u>	No
Disability	Do you have enough information to proceed?	<u>Yes</u>	No
Gender	Do you have enough information to proceed?	<u>Yes</u>	No
Lesbian, gay, bisexual and transgender	Do you have enough information to proceed?	<u>Yes</u>	No
Race	Do you have enough information to proceed?	<u>Yes</u>	No
Religion and Belief	Do you have enough information to proceed?	<u>Yes</u>	No



Step 4: What does the information you have tell you about how this policy might impact positively or negatively on the different groups within the target audience?

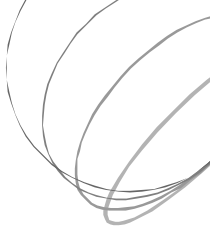
Age	<p>Applying through the VERA scheme</p> <p>All members of staff, irrespective of their age, gender or any other protected characteristic are entitled to put forward a note of interest into the scheme.</p> <p>Assessing acceptance/decline of interest</p> <p>The formula for deciding whether a VERA application is successful is primarily financial. There is no link to a person's gender, age, performance or any other protected characteristic. The scheme has been developed and agreed with the Audit Scotland Management Team, Audit Scotland Remuneration Committee, and the PCS union. It is broadly based on the scheme adopted at the City of Edinburgh Council. It has also been checked by independent employment lawyers prior to launch to ensure it is fit for purpose, fair, consistent and is not discriminatory in any way.</p> <p>All notes of interest will be assessed using the same financial criteria and will be reviewed by Management Team who will decide which are accepted or declined. Human resources will provide a report to the PCS union after the VERA decisions have been made to provide assurance that the decisions have been carried out in a consistent and objective way.</p> <p>If a VERA application is accepted by Management Team, it is then up to each individual employee to decide if they would like to go through with it or not based on all the financial information they receive. No employee will be forced to exit the organisation through the VERA scheme.</p> <p>Impact of Pension Fund Rules</p> <p><u>AGE</u></p> <p>Passing the VERA financial test is heavily influenced by any pension strain cost. Audit Scotland has no influence over the pension scheme rules in relation to VERA.</p> <p>The pension scheme rules state that if an employee applying for voluntary early release is over 50 years old (over 55 for newer members), they will have automatic and immediate entitlement to unreduced access to their pension. This means that the costs of exiting via the VERA scheme for these employees is higher because of the pension strain cost. However, employees who cannot or choose not to access their pension will not incur a pension strain cost. Therefore, this will make it more financially viable for Audit Scotland to release the employee via the VERA scheme.</p>
Disability	
Gender	
Lesbian, Gay, Bisexual & Transgender	
Race	
Religion and Belief	



	<p>Any cash compensation is restricted to a maximum of 6 months scheme tariff following Normal Pension Age by the Civil Service Compensation Scheme (CSCS). This has been embedded within VERA and applies to all VERA exits, including those from Lothian Pension Fund.</p> <p>The UK Government has said that the CSCS can be justified on the basis that it is a reasonable and proportionate compensation payment when a person has access to their full pension benefits from normal pensionable age.</p> <p>All VERA decisions are objectively justifiable. Each case is managed by the HR &OD team who ensure adherence to the scheme rules and good practice. ASMT have analysed each and every VERA case to ensure fairness and equity. The Remuneration Committee have examined and approved cases relating to the Leadership Group (directors and assistant directors).</p> <p><u>Part time / Full time variations (gender)</u></p> <p>Within the Audit Scotland VERA scheme, cash severance payments are calculated in accordance with the employment law statutory redundancy system methodology. This is to ensure objective justification and consistency of approach.</p> <p>However, the civil service compensation scheme is more complex. It uses the FTE salary and actual pro-rated length of service calculations, accrued service to date and includes a deduction for any non working part time elements and any unpaid maternity leave. They apply this calculation against the person's full time salary.</p> <p>It differs from the standard VERA basis. Some staff will be better off/worse off depending upon whether they are currently working full-time or part-time. Audit Scotland has no control in the operation or calculations by the civil service compensation scheme. It is also up to the employee whether to go ahead with their VERA application or not.</p>
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Step 5: Will you be making any changes to your policy?

Are there any changes?				
Age	Yes		No	✓
Disability	Yes		No	✓
Gender	Yes		No	✓
Lesbian, Gay, Bisexual & Transgender	Yes		No	✓
Race	Yes		No	✓
Religion and Belief	Yes		No	✓



Please identify:

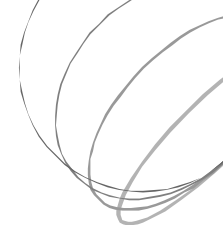
- **what action you will take**
- **who will take that action**
- **when that action will be taken.**

There will not be any changes to the VERA scheme following this review. The reasons for this are as outlined in the above section – the VERA scheme does not positively or negatively impact upon different protected characteristic or groups of staff. The pension scheme rules do play a part in the financial viability of each employees VERA application however these calculations are dictated by the pension schemes and are therefore outwith Audit Scotland's control.

Step 6: Does your policy provide the opportunity to promote equality of opportunity or good relations by altering the policy or working with others?

Age	Yes		No	✓
Disability	Yes		No	✓
Gender	Yes		No	✓
Lesbian, Gay, Bisexual & Transgender	Yes		No	✓
Race	Yes		No	✓
Religion and Belief	Yes		No	✓

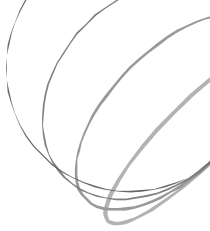
Age	<p>All staff can apply to note their interest in the VERA scheme and applications will be assessed in a consistent and fair approach purely on a financial basis. The process of the scheme and how applications are considered is made widely available to staff via a dedicated intranet page.</p> <p>Equality of opportunity has been central to the creation of the VERA scheme to ensure that there is no discrimination between different employee groups.</p>
Disability	
Gender	
Lesbian, Gay, Bisexual & Transgender	
Race	
Religion and Belief	



Step 7: Based on the work you have done - rate the level of relevance of your policy

Tick one box for each strand

	Age	Disability	Gender	LGBT	Religion and belief	Race
High: <ul style="list-style-type: none"> ▪ There is substantial evidence that people from different groups or communities are (or could be) differently affected by the policy (positively or negatively) ▪ There is substantial public concern about the policy, or concerns have been raised about the policy's potential impact by relevant bodies ▪ The policy is relevant to all or part of the respective general duty, in the case of race, disability and gender. 						
Medium: <ul style="list-style-type: none"> ▪ There is some evidence that people from different groups or communities are (or could be) differently affected (positively or negatively). ▪ There is some public concern about the policy. ▪ The policy is relevant to parts of the respective general duty, in the case of race, disability and gender. 						
Low: <ul style="list-style-type: none"> ▪ There is little or no evidence that some people from different groups or communities are (or could be) differently affected (positively or negatively). ▪ There is little or no evidence of public concern about the policy. ▪ The policy has little or no relevance to the respective general duty, in the case of race, disability and gender. 	✓	✓	✓	✓	✓	✓
Unknown: <ul style="list-style-type: none"> ▪ No evidence or data has been collected therefore an assessment cannot be made. 						



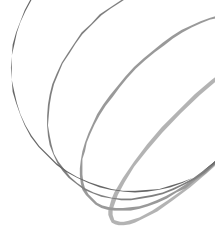
Step 8: Is a further impact assessment required?

Age	Yes		No	✓
Disability	Yes		No	✓
Gender	Yes		No	✓
Lesbian, Gay, Bisexual & Transgender	Yes		No	✓
Race	Yes		No	✓
Religion and Belief	Yes		No	✓

If you have answered yes please explain why

If you have answered no please explain why

The VERA scheme and process is currently underway and is now closed for notes of interest. If the scheme is reopened with no changes in future years, then this EIA will suffice.



Step 9: Explain how you will monitor and evaluate this policy/function or strategy to measure progress?

Please explain how monitoring will be undertaken, when it will take place and who is responsible for undertaking it:

The VERA scheme will be evaluated once all the decisions have been made regarding all application requests. This will be carried out in conjunction with the PCS union to provide evidence that the scheme has been consistent, fair and non discriminatory. This will likely take place during Q3 of 2011 between HR, Management Team and PCS.

The HR & OD team will undertake regular (i.e. annual) financial reviews for the next 3 years to assess whether the individual business cases sponsored by each Director materialised. If any significant variance is found to have occurred, the team will investigate the reasons why. A report will be provided annually to the Audit Scotland Management Team.

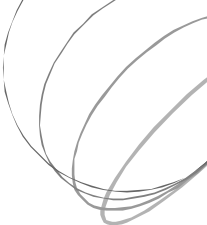
Step 10: Summary of improvements, outcomes and impact

Please summarise in no more than 200 words the nature of the policy and main improvements, outcomes and impact as a result of this review - this will be published on Audit Scotland's web site and the full EqIA will be made available to interested parties if requested.

Audit Scotland's Voluntary Early Release Arrangement (VERA) is one method of supporting the organisations objective of achieving business efficiencies, easing budget pressures and improving operational effectiveness in a way which is sustainable into the future.

The VERA scheme was launched at the end of 2010; all members of Audit Scotland staff, irrespective of their age, gender or any other protected characteristic are entitled to put forward a note of interest into the scheme. The scheme has been approved by Audit Scotland Remuneration Committee and Management Team. It has been designed in consultation with the PCS union as part of Audit Scotland's commitment to partnership working with the PCS branch.

The formula for deciding whether a VERA application is successful is primarily financial. There is no link to a person's gender, age, performance or any other protected characteristic. There have been no changes to the VERA scheme following this Equality Impact Assessment. The scheme has been designed in a way which promotes fairness and equity - all VERA decisions are objectively justifiable.



Each case is managed by the HR & OD team who ensure adherence to the scheme rules and good practice.

The Audit Scotland Management Team have analysed each and every VERA case to ensure fairness and equity. The pension scheme rules do play a part in the financial viability of each employees VERA application however these calculations are dictated by the pension schemes and are therefore outwith Audit Scotland's control. The VERA scheme will be evaluated once all the decisions have been made regarding all application requests. This will be carried out in conjunction with the PCS union to provide evidence that the scheme has been consistent, fair and non discriminatory.