

**Severance Policy**

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| <b>Approved by</b>   | Board of Governors          |                            |            |
| <b>Date approved</b> | March 2019                  | <b>Status</b>              | Approved   |
| <b>Policy Owner</b>  | Director of Human Resources | <b>Impact assessed</b>     | Yes        |
| <b>Version</b>       | 3                           | <b>Date of next review</b> | March 2024 |

## **Severance Policy and Payments**

The University has a non-contractual Redundancy Policy and Compensation Scheme approved by the Board and this applies equally to all staff, including senior staff.

From time to time in appropriate circumstances, the University may wish to offer severance terms to an employee, which would also be non-contractual. In this context 'severance terms' means the terms and conditions under which a mutually agreed termination of employment (other than one which occurs under a redundancy policy) will occur. These circumstances can arise in a range of situations including recognition of the particular level of accountability attached to certain positions.

The maximum severance compensation, including any pay in lieu of notice, shall not normally exceed one year's gross pay. In calculating the maximum compensation i.e. one year's gross pay, all contractual entitlements shall be included but any pension benefits to which the employee is entitled under the scheme regulations shall not be included.

The University policy is to not exercise its discretions to enhance pension benefits in such circumstances.

The following written approvals shall be required where severance terms, which accord with this policy, are to be offered:

- i. In the case of the Principal and Deputy Principal, the Board of Governors on the recommendation of the Chair of the Board (who may also have separately consulted with and/or sought the endorsement of Remuneration Committee);
- ii. In the case of any other member of the Executive, the Board of Governors on the recommendation of the Principal endorsed by the Remuneration Committee;
- iii. In the case of any other senior manager in pay bands 2-4 or their equivalent (but not including Professors), the Remuneration Committee on the recommendation of the Principal;
- iv. In the case of all other academic and professional/support staff, the Director of Human Resources on the recommendation of the appropriate Executive member and having consulted with the Principal and Director of Finance.

The Director of Human Resources shall advise the Principal in all such matters, save where he/she is personally conflicted. The Director of Finance shall similarly advise of the related financial matters, including compliance with the terms of the SFC Financial Memorandum, save where he/she is conflicted. In considering the possibility of entering into any severance agreement that exceeds contractual rights, the University shall take legal advice and such other advice as it considers appropriate. Where, exceptionally, a severance agreement is proposed, the value of which exceeds the terms of this policy, the view of the university's external auditor must be sought, the SFC Accountable Officer must be

consulted and the agreement must also have the prior endorsement of the Remuneration Committee and the Board.

In addition, the view of the university's external auditors will be sought in the event that any unusual, novel or potentially contentious severance payment is proposed.

All severance agreements shall include a 'settlement agreement', the confidentiality terms for which will apply to the implied terms of confidentiality inherent in all contracts of employment and to the settlement itself. The settlement agreement may not prevent the employee from exercising his/her public interest disclosure rights. Where an employee leaves the university under the terms of a severance agreement, he/she shall not be re-engaged or re-employed in any capacity within two years.