

For Decision/Approval

Agenda Item: 10.2.2
Meeting Date: 29/10/25

To: The Management Committee

From: The Director

Subject: Policy Review – Settlement Agreements and Severance Payments

1. Introduction and Purpose

- 1.1 As per the Policy Review Timetable for 2025/26, the above Policy was due for review in September but in error it was overlooked.
- 1.2 Whilst the proposed revisions to the Policy are not extensive, due to the important subject matter, the revised Policy is being presented to Committee for consideration and approval.

2. Review of Settlement Agreements Policy

- 2.1 As part of the review, I took account of the model policy produced by EVH (reviewed in August 2024), its Information Note on Pre-termination Discussions and Settlement Agreements and the ACAS Code of Practice and its Guidance on Settlement Agreements.
- 2.2 Attached is the track change version of the Policy. In general, our logo has been updated and any references to Co-operative have been changed to Association. The main revisions are as follows:
 - Section 3: Nature and Use of Settlement Agreements, Para 3.3 – has been amended to include specific wording from EVH model policy;
 - Para 3.5 – additional wording to reflect EVH Model Policy wording;
 - New paragraph 3.6 to reflect EVH model policy wording. As a result of the new paragraph subsequent paragraphs under Section 3 have been renumbered;
 - Renumbered para 3.11 – timescale for giving an employee time to consider offer, changed to 10 calendar days to reflect recommendation of ACAS;
 - Section 5: Notifiable Event – wording updated to reflect the changes in the revised Notifiable Event Guidance by SHR dated February 2024 i.e. governance and organisational issues can be reported by the Director.
 - New Section 7: Equalities and Human Rights – insertion of our corporate statement.

- Renumbered Section 9: Risk Management – updating of main risk categories referenced.

2.3 In terms of Section 7: Equalities and Human Rights – we normally have 2 options for the final paragraph to allow Committee to determine whether an Equality Impact Assessment is required. However, equality impact is considered at Section 6 and reflects the wording of the EVH model policy. Therefore, I have added the following wording (highlighted in yellow) to the final paragraph of the Equalities and Human Rights statement:

“As this policy applies equally to all groups, **and the equalities impact has been considered at Section 6,** Rosehill (with committee approval) made the decision not to carry-out an Equality Impact Assessment on this policy.

3. Risk

3.1 We have considered the risks relating to settlement agreements and severance payments and, have identified the key risks under the following risk categories and the measures we have taken to mitigate such risks.

Risk Category	Mitigating Measure
<p>Governance:</p> <p>The process for settlement agreements/severance payments is mishandled;</p> <p>Inappropriate level of severance payments;</p> <p>Fail to achieve value for money</p>	<p>Having a clear Policy on Settlement Agreements and Severance Payments in place, which takes account of EVH Model Policy and guidance and ACAS Code of Practice.</p>
<p>Legal and Regulatory:</p> <p>Breach of regulatory requirements:</p> <p>Regulatory Standard 5 (5.7 and 5.8)</p>	<p>As above</p> <p>Notifiable Section within Policy</p>

4. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Review of Settlement Agreements Policy	3) Deliver value for money

	6) Use resources efficiently and effectively 7) Achieve the highest standards in all that we do
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5. Application of our Core Values

Area	Related Core Value(s)
Review of Settlement Agreements Policy	<ul style="list-style-type: none"> Accountable and Compliant Efficient and Responsible Excellent and Committed

6. Compliance and Assurance

- 6.1 By having a Settlement Agreements Policy in place which is periodically reviewed ensures we are compliant with Regulatory Requirements as follows:

Compliance Source	Details
The Standards of Governance and Financial Management for RSLs	<p>Standard 5 – The RSL conducts its affairs with honesty and integrity</p> <p>Guidance 5.7 – Severance payments are only made in accordance with a clear policy which is approved by the governing body, is consistently applied and is in accordance with contractual obligations. Such payments are monitored by the governing body to ensure the payment represents value for money. The RSL has considered alternatives to severance, including redeployment.</p> <p>Guidance 5.8 - Where a severance payment is accompanied by a settlement agreement the RSL does not use this to limit public accountability or whistleblowing. The RSL has taken professional legal advice before entering into a settlement agreement.</p>

6.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none">Cover ReportRevised Settlement Agreements Policy	Regulatory Standard 5 – Guidance 5.7 and 5.8

6.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

7. Summary

7.1 The Settlement Agreements Policy was due for review as per the Annual Policy Review Timetable 2025/26 in September but in error was overlooked. Therefore, the review has been completed in October.

7.2 The review took account of the EVH Model Policy and its associated guidance and the ACAS Code of Practice on Settlement Agreements. The revisions to the Policy are not extensive but due to the important nature of the Policy it is being presented for Committee approval. Some of the main changes reflect information in the EVH Model Policy and ACAS Code of Practice and a summary of these are set out in Section 2. A track change copy of the current Policy is attached.

7.3 The associated risks are considered at Section 3.

7.4 Section 4 shows how having a Settlement Agreements Policy and reviewing it contributes to the delivery of our strategic objectives.

7.5 Section 5 shows how having a Settlement Agreements Policy and reviewing it contributes to the application of our core values.

7.6 Section 6 shows how we are compliant with regulatory requirements.

7.7 Committee is asked to consider this report and the revisions to the Settlement Agreements Policy including the proposed amendment to the final paragraph of the Equalities and Human Rights Section, and approve the revised Policy.