



South Tyneside Council

Human Resources Manual for Schools



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# Early Retirement / Voluntary Redundancy Policy and Procedure

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## 1 Introduction

The School's policies and operating procedures in relation to redundancy, early retirement in the interests of the efficiency of the service and voluntary early retirement are core aspects of the School's strategic approach to managing change.

## 2 Redundancy

### Statement of Policy

The School recognises that it has a responsibility to do all it can to safeguard the jobs and prospects of its employees and will make every effort to avoid the need for redundancies. However, there will be situations such as changes in the demand for services or levels of funding and technical or organisational developments that may lead to a reduction in staffing levels. In these circumstances, the School will ensure that redundancy situations are dealt with in a fair, objective and non-discriminatory way.

This Policy applies to school based employees where the Governing Body of individual schools have adopted the policy.

### Consultation

The School will ensure that individual employees and trade union representatives are informed as soon as practicable about staffing requirements that could lead to possible redundancies. The purpose of consultation is to provide as early an opportunity as possible for all concerned to share the problems and explore the options. Consultation will include ways of avoiding redundancies, reducing the number of employees affected and mitigating the effects of redundancies.

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Consultation should begin in good time and be completed before any redundancy notices are issued. Legally consultation must begin:

- at least 30 days before the first dismissal takes effect if 20 – 99 employees are to be made redundant at one place over a period of 90 days or less.
- at least 45 days before the first dismissal takes effect if 100 or more employees are to be made redundant at one place over a period of 90 days or less.

To enable the trade unions to play a constructive part in the consultation process the School is required to provide the following information in writing:

- The reasons for the proposed redundancies.
- The numbers and descriptions of employees it is proposed to dismiss as redundant.
- The total number of employees of any such description employed at the establishment in question.
- The way in which employees will be selected for redundancy.
- How the dismissals are to be carried out, including the period over which the dismissals are to take effect.
- The method of calculating the amount of redundancy payments to be made to those who are proposed to be dismissed.
- The number of agency workers, where they are working and the type of work they are doing.

### **Alternatives to Redundancy**

The School will consider alternative measures to avoid or minimise redundancies including:

- Restrictions on recruitment
- Restricting the use of temporary/agency employees
- Reviewing the amount of overtime being worked
- Redeployment
- Retraining
- Reductions in working hours
- Flexible retirement/early retirement

### **Early Retirement/Voluntary Redundancy**

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If it is decided that redundancies cannot be avoided, expressions of interest will be sought from employees who are potentially in an “at risk” position and would like to be considered for early retirement/voluntary redundancy. An expression of interest does not commit an employee to an application for early retirement/voluntary redundancy, as this is just a request for information.

Employees who volunteer may be awarded the benefits of the Council's Enhanced Redundancy Scheme provided they have 2 years continuous service, and an individual estimate will be prepared for them. They will then be asked to confirm by a specified date whether they wish to proceed with an application or not. The School reserves the right to accept or reject applications for early retirement/voluntary redundancy. There is no appeal against this decision.

The School will select those to be accepted using objective criteria related to the requirements of the school. Selection under this Scheme shall not be used as a substitute for early retirement on the grounds of permanent ill-health.

### **Compulsory Redundancy**

Where necessary, trade union representatives will be consulted on the criteria to be used in selecting those employees to be made redundant. In the majority of cases a competitive selection process will be used to fill roles on any new structure. However, where it is necessary, any selection criteria used will be objective, fair and non-discriminatory. Alternatively, processes may include selection using typical criteria as shown below:

- Experience and skills
- Sickness absence record
- Disciplinary record
- Performance (supported by appropriate evidence e.g. EPM, 1:2:1's, supervision, capability processes)
- Cost

Assessments of the criteria will be fairly and consistently applied using a standard form and guidance notes. In addition the School HR Adviser may assist the Head Teacher/Manager making the assessment. An employee who feels that they have been unfairly selected for redundancy will be given the right of appeal.

Criteria will not need to be used in situations where redundancies are required for the whole of a particular group of employees or in restructuring exercises that involve implementation plans.

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### **Redundancy Entitlement**

Under the Council's Enhanced Scheme employees, with 2 years continuous service, who volunteer for redundancy and are accepted, may be awarded a payment dependent upon their age and length of service (up to twenty years). This determines the number of weeks pay due. **This payment will be calculated by reference to the Statutory Scheme enhanced by a multiplier of 1.33.**

The Enhanced Scheme Ready Reckoner is shown in Appendix A

If an employee is being made compulsory redundant they will be entitled to a statutory redundancy payment, which is also dependent upon their age and length of service (up to twenty years).

This is broken down as follows:

- 0.5 week's pay for each full year of service where age during year less than 22
- 1 week's pay for each full year of service where age during year is 22 or above, but less than 41
- 1.5 weeks' pay for each full year of service where age during year is 41+

The Statutory Scheme Ready Reckoner is shown in Appendix B

The amount of week's pay used in the calculation of a redundancy payment under either scheme will be the employee's actual pay. Employees who are members of the Local Government Pension Scheme will also qualify for the release of their unreduced pension benefits if aged over 55. Members of the Teachers Pension Scheme can apply for the release of their benefits by contacting Teachers Pensions

### **Notification**

The School/Council is required to notify The Insolvency Service about proposed redundancies. In cases where 20 – 99 employees are to be made redundant at one place over a period of 90 days or less notification must be at least 30 days before the first dismissal takes effect. In cases where 100 or more employees are to be made redundant at one place over a period of 90 days or less notification must be at least 45 days before the first dismissal takes effect. In addition, notification must be given before giving notice to terminate an employee's contract.

Notification to The Insolvency Service should be made using form HR1.

### **Time Off**

An employee who is given notice of dismissal because of redundancy is entitled to reasonable time off with pay during working hours to look for another job or make arrangements for training for future employment. The School will provide as much assistance as possible to employees in this position. All time off must be arranged in advance with the Head Teacher/Manager.

Advice on completing job application forms and interview skills can be provided by the HR Service on request.

### **Counselling**

Individual counselling is available for those employees who wish to access this service through the Council's Occupational Health Unit.

## **3 Early Retirement in the Interests of the Efficiency of the Service**

### **Statement of Policy**

The School acknowledges that there are circumstances when individual employees who, while having given valuable service in the past, may no longer be capable of doing so. This situation may arise from new and expanding duties being placed upon the employee or from a decline in the employee's ability to perform the duties of their post.

An employee who leaves on efficiency grounds can be awarded a compensation payment of up to 60 weeks pay dependent upon the merits of the case. A payment will only be made where it can be demonstrated to be in the School's interests to do so, unless there are special factors which justify a departure from this policy.

### **Assessment of Efficiency**

Prior to consideration being given to efficiency all alternative avenues will need to be explored first, such as further training, additional support or disciplinary action. Only in exceptional circumstances where these alternative measures are considered to be inappropriate, should retirement on efficiency grounds be considered.

There is no statutory definition of "in the interests of the efficiency of the service". Factors, which could be taken into account, include:

- work effectiveness e.g. ability to cope with change, contribution to the work of the service, self-reliance, judgement, leadership, communication, relationships, etc
- cost i.e. savings, payback period, added value of being able to appoint a replacement, etc
- compassion and health factors may be a consideration where they impact on work effectiveness

### **Entitlement**

Employees who are dismissed on efficiency grounds can be awarded a compensation payment, based upon the merits of their case, up to a maximum of 60 weeks pay. Individual circumstances have to be taken into account and any payment which is recommended by the employing service will need to be objectively justified.

Criteria that can be used to determine payments include, for example, the individual's past work record and the difficulty that they may face in obtaining further employment due to the skills they have and the options available in the area.

Employees who are members of the Local Government Pension Scheme will also qualify for the release of their unreduced pension benefits if aged over 55. Members of the Teachers Pension Scheme can apply for the release of their benefits by contacting Teachers Pensions.

### **Procedure**

When an efficiency termination is being considered the School HR Adviser should be informed.

In certain circumstances it may be considered appropriate to arrange a settlement agreement which allows an individual to contract out of certain rights such as the right to complain of unfair dismissal to an employment tribunal.

## **4 Voluntary Early Retirement**

### **Statement of Policy**

Under the Local Government Pension Regulations employees aged over 55 may opt for early retirement.

This Policy applies to School employees who are members of the Local Government Pension Scheme.

### **Procedure**

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Employees may receive pension estimates which are reduced because they are applying to leave before their normal retirement date. Therefore they should request an estimated statement of benefits from Pensions prior to making their decision.

## **5 Equality and Diversity Statement**

The School is committed to promoting equality and valuing diversity. An equality check for HR Services was carried out in 2015 which included all policies in the HR Manual. No equality check implications were identified in this policy.

Policy approved by Governors:	Nov 2021
Date of next review by Governors:	Nov 2022