

DOCUMENT INFORMATION

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| Origination/author: | Francesca Smith, Human Resources Manager |
| This document replaces: | Policy Statement relating to the Local Government (Early Termination of Employment) (Discretionary Payments) Regulations 2000. |
| Date/detail of consultation: | Staff Forum and Unison December 08 Equality consultation groups June 09 |
| Date of Council approval: | 8 October 2009 |
| Last reviewed: | April 2018 |
| Next review date: | April 2019 |

Where an employee needs help reading or understanding the policy below, because English is not their first language or they have learning difficulties or a disability which affects their ability in this area, Human Resources will arrange for someone to assist them. To access this support the employee must ask Human Resources as otherwise they may not be aware of the need.

Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 Policy Statement

1. This policy statement is made in accordance with the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and sets out how the Council will use these discretions for redundancy and early retirement purposes.
2. This policy will be reviewed annually. If the Council decides to change its policy, it will publish a statement of the amended policy within one month of the date of its decision.
3. In formulating and reviewing its policy, the Council:
 - has regard to the extent to which the exercise of its discretionary powers, unless properly limited, could lead to a serious loss of confidence in the public service
 - is satisfied that the policy is workable, affordable and reasonable, having regard to the foreseeable costs.

Purpose of policy

4. This policy aims to provide fairness and consistency in situations where the Council is making discretionary compensation payments to staff who are leaving its employment in the following circumstances:
 - redundancy
 - early retirement in the interests of the efficiency of the service
 - voluntary early retirement in the interests of the efficiency of the service

Redundancy cases

5. In cases of redundancy where an employee has 2 years continuous (except for special maternity provisions) local government service the Council will:
- calculate the statutory compensation payment based on the employee's actual normal week's pay rather than the statutory capped weekly pay. The actual week's pay is calculated on the date that the employee is given notice.
 - link compensation payments to the government's redundancy pay calculator formula for statutory redundancy payments based on age and continuous local government service. We will use a multiplier of 2, giving a maximum payment of 60 weeks' pay, including the statutory redundancy payment. Birthdays and anniversaries of service that fall within the notice period will be taken into account when calculating entitlement.
 - allow employees who are members of the Local Government Pension Scheme the option of receiving an amount equivalent to the sum of the compensation payments (less the statutory redundancy payment) as additional pensionable service on a strictly cost-neutral basis.

Early retirement in the interests of efficiency cases

6. In cases of efficiency terminations the Council will:
- consider making a one-off discretionary payment, based on the merits of each individual case, up to the maximum of 104 weeks' pay.
 - calculate the compensation payment based on the employee's actual normal week's pay.
 - take into account certain factors in awarding compensation including:
 - overall reasonableness, including benefits to the council taxpayer by the employee leaving the Council's service
 - direct financial savings to be incurred by the employee leaving the our service
 - generally the Council will seek to make a financial saving over the longer term through an efficiency termination. The saving should be achieved within 3 years.
 - employee relations considerations
 - any relevant considerations under our equality policies
 - assess each individual case and agree the amount of compensation payment through a panel comprising the Managing Director, the Director of Finance and the Director for the relevant service. Cases relating to the Directors will be determined by the Employment Committee. Cases relating to the Managing Director will be determined by the Council on the recommendation of the Employment Committee.
 - allow employees who are members of the Local Government Pension Scheme the option of receiving an amount equivalent to the sum of the compensation payments as additional pensionable service on a strictly cost-neutral basis.

Voluntary early retirement in the interests of efficiency cases

7. Where an employee requests early retirement and efficiency savings can be identified, their case will be considered by the Managing Director. In determining whether to grant early retirement the Managing Director will consider:
 - overall reasonableness, including benefits to the council taxpayer by the employee leaving the Council's service
 - any detriment likely to be caused to the service by the loss of the employee's skills and experience
 - the costs of recruitment and training a replacement
 - direct financial savings to be incurred by the employee leaving our service
 - generally we will seek to make a financial saving over the longer term through an efficiency termination. The saving should be achieved within 3 years.

If early retirement is agreed the same discretions will be applied as for non-voluntary early retirement however the compensatory payment may be less generous to reflect the fact that there is a benefit to the individual as well as to the Council.

Cases relating to the Directors will be determined by the Employment Committee. Cases relating to the Managing Director will be determined by the Council on the recommendation of the Employment Committee.

Appeal

8. Where an employee wishes to appeal against the application of the policy they should do so in writing to the Pension Services Manager at Surrey County Council. Contact: myhelpdeskpensions@surreycc.gov.uk or write to the Pension Services Manager, Surrey County Council, Room G59, County Hall, Penryhn Road, Kingston upon Thames, Surrey KT1 2 DN.

Monitoring the application of the Policy

1. The Council has conducted a full Equality Impact Assessment on this policy and is satisfied that its application should not result in a differential and negative impact on any groups of employees identified under the nine protected characteristics: age, disability, gender reassignment, race, religion or belief, sexual orientation, marriage and civil partnership, pregnancy and maternity.
2. The Council will carry out equality monitoring of the employees who are subject to the disciplinary procedure in order to be aware if a disproportionate number of employees from any individual equality strand are subject to disciplinary action. Should that be the case, it will consider the reasons why and, if necessary, amend this policy to ensure that any inequalities in the policy which are subsequently identified are removed.

Redundancy Ready Reckoner for calculating the number of weeks' pay due (multiplier of 2)

| Service (Years) | | | | | | | | | | | | | | | | | | | |
|-----------------|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| Age | | | | | | | | | | | | | | | | | | | |
| 18 | 2 | | | | | | | | | | | | | | | | | | |
| 19 | 2 | 3 | | | | | | | | | | | | | | | | | |
| 20 | 2 | 3 | 4 | | | | | | | | | | | | | | | | |
| 21 | 2 | 3 | 4 | 5 | | | | | | | | | | | | | | | |
| 22 | 2 | 3 | 4 | 5 | 6 | | | | | | | | | | | | | | |
| 23 | 3 | 4 | 5 | 6 | 7 | 8 | | | | | | | | | | | | | |
| 24 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | | | | | | | | | | | |
| 25 | 4 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | | | | | | | | | | |
| 26 | 4 | 6 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | | | | | | | | | | |
| 27 | 4 | 6 | 8 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | | | | | | | | | |
| 28 | 4 | 6 | 8 | 10 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | | | | | | | | |
| 29 | 4 | 6 | 8 | 10 | 12 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | | | | | | | |
| 30 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | | | | | | |
| 31 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | | | | | |
| 32 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | | | | |
| 33 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | | | |
| 34 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | | |
| 35 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | |
| 36 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 26 | 28 | 29 | 30 | 31 | 32 | 33 | 34 |
| 37 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 26 | 28 | 30 | 31 | 32 | 33 | 34 | 35 |
| 38 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 26 | 28 | 30 | 32 | 33 | 34 | 35 | 36 |
| 39 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 26 | 28 | 30 | 32 | 34 | 35 | 36 | 37 |
| 40 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 26 | 28 | 30 | 32 | 34 | 36 | 37 | 38 |
| 41 | 4 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 26 | 28 | 30 | 32 | 34 | 36 | 38 | 39 |
| 42 | 5 | 7 | 9 | 11 | 13 | 15 | 17 | 19 | 21 | 23 | 25 | 27 | 29 | 31 | 33 | 35 | 37 | 39 | 41 |
| 43 | 6 | 8 | 10 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 26 | 28 | 30 | 32 | 34 | 36 | 38 | 40 | 42 |
| 44 | 6 | 9 | 11 | 13 | 15 | 17 | 19 | 21 | 23 | 25 | 27 | 29 | 31 | 33 | 35 | 37 | 39 | 41 | 43 |
| 45 | 6 | 9 | 12 | 14 | 16 | 18 | 20 | 22 | 24 | 26 | 28 | 30 | 32 | 34 | 36 | 38 | 40 | 42 | 44 |
| 46 | 6 | 9 | 12 | 15 | 17 | 19 | 21 | 23 | 25 | 27 | 29 | 31 | 33 | 35 | 37 | 39 | 41 | 43 | 45 |
| 47 | 6 | 9 | 12 | 15 | 18 | 20 | 22 | 24 | 26 | 28 | 30 | 32 | 34 | 36 | 38 | 40 | 42 | 44 | 46 |
| 48 | 6 | 9 | 12 | 15 | 18 | 21 | 23 | 25 | 27 | 29 | 31 | 33 | 35 | 37 | 39 | 41 | 43 | 45 | 47 |
| 49 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 26 | 28 | 30 | 32 | 34 | 36 | 38 | 40 | 42 | 44 | 46 | 48 |
| 50 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 29 | 31 | 33 | 35 | 37 | 39 | 41 | 43 | 45 | 47 | 49 |
| 51 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 32 | 34 | 36 | 38 | 40 | 42 | 44 | 46 | 48 | 50 |
| 52 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 35 | 37 | 39 | 41 | 43 | 45 | 47 | 49 | 51 |
| 53 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 36 | 38 | 40 | 42 | 44 | 46 | 48 | 50 | 52 |
| 54 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 36 | 39 | 41 | 43 | 45 | 47 | 49 | 51 | 53 |
| 55 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 36 | 39 | 42 | 44 | 46 | 48 | 50 | 52 | 54 |
| 56 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 36 | 39 | 42 | 45 | 47 | 49 | 51 | 53 | 55 |
| 57 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 36 | 39 | 42 | 45 | 48 | 50 | 52 | 54 | 56 |
| 58 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 36 | 39 | 42 | 45 | 48 | 51 | 53 | 55 | 57 |
| 59 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 36 | 39 | 42 | 45 | 48 | 51 | 54 | 56 | 58 |
| 60 | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 36 | 39 | 42 | 45 | 48 | 51 | 54 | 57 | 59 |
| 61+ | 6 | 9 | 12 | 15 | 18 | 21 | 24 | 27 | 30 | 33 | 36 | 39 | 42 | 45 | 48 | 51 | 54 | 57 | 60 |