

Redundancy Pay Policy



1 Introduction

Making an employee redundant should always be avoided wherever possible, however, it is sometimes necessary where all other alternatives have been considered and only as a last resort.

This policy sets out what employees are entitled to when being made redundant and details how applications for voluntary redundancy will be managed to minimise the extent to which the school has to resort to compulsory redundancy.

The Compensation Regulations require the school to formulate, publish and keep under review the policy that it maintains in the exercise of its discretionary powers under paragraphs 5 and 6 of the Compensation Regulations. This policy also explains how the school will exercise the discretions available to it under these regulations.

2 Compulsory redundancy

Employees whose role has been identified as being redundant, either as a result of a restructure within the school or as a result of funding being withdrawn, will be informed in writing and invited to engage in an appropriate consultation process. Further information can be found in the [Staffing Reductions Guidance](#) or [Dismissal Policy](#) on the Extranet.

2.1 Statutory redundancy pay

School based employees who are being made compulsorily redundant, and have at least two years' continuous service, are entitled to receive a statutory redundancy payment. The amount of statutory redundancy pay is calculated using your length of service, age and weekly pay.

Employees have a statutory right to:

- Half a week's pay for each complete year of employment below the age of 22 years;
- A full week's pay for each complete year of employment between the ages of 22 and 40 years inclusive;
- A week and a half's pay for each complete year of employment when you were aged 41 or above.

This statutory redundancy payment is subject to a maximum of 20 years' service and a weekly pay cap, details of which can be found <https://www.gov.uk/redundant-your-rights/redundancy-pay>.

3 Voluntary redundancy

The determination of applications for voluntary redundancy is delegated to the relevant committee of the governing body, in consultation with the HR Advice and Support Team. The relevant committee of the governing body will need to confirm that the post is redundant and that it is deleted from the school establishment.

Each application will be considered on its merits; however, proposals are unlikely to be agreed unless there are clear and demonstrable savings arising from the school restructure and/or a reduction in the number of posts.

Where the proposal results in clear and demonstrable savings to the school, after considering all the costs, the employee will be afforded the benefits set out in section 3.1.

3.1 Enhanced redundancy pay

In cases of voluntary redundancy or school closures, the school will exercise its discretion under the Compensation Regulations to use:

- The employee's actual salary, up to a weekly pay cap equivalent to NJC SCP 35 (£725.87 per week as at April 2019);
- Continuous local government service up to a maximum of 20 years;
- A maximum of 30 weeks' pay in accordance with the statutory redundancy pay table.

The voluntary redundancy payment will be inclusive of the statutory redundancy sum that would otherwise have been paid in the event of a redundancy.

4 Early retirement (LGPS only)

Where an employee's post is made redundant and meets the criteria set out in the [Early Retirement Policy](#), they will be eligible to access their main pension benefits without any reductions.

In the case of voluntary redundancy, it is necessary to consider the fund payable when the employee accesses their unreduced pension benefits when making their decision about whether to accept the application. There must be a net saving from the proposal after considering both the cost of early access to the pension scheme and the cost of the redundancy. The School Finance Team will advise whether the request can be approved.

5 Notice period

Tax and National Insurance contributions are payable on an employee's notice pay, regardless of whether this is worked or paid in lieu.

To ensure that the council is HMRC compliant, all employees who are made redundant, either compulsorily or voluntarily, will normally be required to work their full contractual period of notice.

6 Exceptions

An employee will not be entitled to redundancy pay if:

- They are offered suitable alternative employment that is refused without good reason;
- An employee is made redundant and starts work with another Local Government or related employer* within 4 weeks of leaving the school;
- They are an apprentice who is not employed in a substantive post at the end of their training.

** Related employers are as set out in the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 (as amended).*

6.1 Recovery of enhanced redundancy payments

Where an employee, who received an enhanced redundancy payment, is re-employed by the same school at the equivalent or above NJC SCP 39 or above within 12 months of their termination date, they will be asked to repay a proportion of their redundancy payment.

Full details regarding the recovery of redundancy payments can be found in the [Recovery of Redundancy Payments Policy](#).

7 Definitions

- **Weekly pay**
The definition of 'weekly pay' in the calculation of voluntary redundancy and discretionary compensation payments will be as laid down in the Employment Rights Act 1996, but with the modifications set out in the Compensation Regulations.
- **Continuous local government service**
The definition of 'continuous local government service' in the calculation of voluntary redundancy and discretionary compensation will be determined in accordance with the Employment Rights Act 1996, taking into account the Redundancy Payments (Continuity of Employment in Local Government, etc.) Modification Order 1999.

For advice regarding the application of this policy please contact:

HR Advice and Support

hradvice@durham.gov.uk

Further support can be accessed by contacting the following teams where you have a Service Level Agreement:

HR Operations & Data

hrschoools@durham.gov.uk

Occupational Health

occhealthadmin@durham.gov.uk

Health and Safety

hsteam@durham.gov.uk

Employee Assistance Programme

www.healthassuredeap.com

Username: durham Password: council
0800 716 017

Author	Version	Last review	Next review
Senior HR Officer	v 1.0	September 2019	April 2020

The school complies with all relevant statutory obligations. The school privacy notice provides more specific information on data collected and how it is handled, a copy of which can be accessed from the school. For more information please contact the school directly.

If you have any concerns about how your data is handled, please contact either the school Data Protection Officer (details available from the school office), or the Information Commissioner's Office.