

**SWINDON BOROUGH COUNCIL
DRAFT POLICY FOR FUNDING OF
REDUNDANCY, PREMATURE RETIREMENT AND SEVERANCE COSTS
FOR TEACHING AND SUPPORT STAFF IN SCHOOLS**

INTRODUCTION

1. This policy sets out Swindon Borough Council's approach to funding part or all the costs arising from Maintained School Governing Body decisions relating to teaching and support staff redundancies, premature retirement costs and severance agreements in Maintained schools.
2. This policy is not applicable to Academies, which are responsible for funding all costs arising out of dismissal/termination of employment.
3. This policy outlines a clear and transparent process for schools and the Local Authority to follow to support consistency and fairness.
4. Within the provision of Section 37 of the Education Act 2002 School Governing Bodies are responsible for determining:
 - whether a member of staff should have their employment terminated on the grounds of efficiency or redundancy;
 - whether a teacher or a member of support staff should be granted premature retirement on the grounds of efficiency or redundancy;
 - the amount of any lump sum severance payment;
 - the amount of any compensatory added years awarded to a teacher who is retiring prematurely.
5. Costs incurred by the Local Authority in respect of the dismissal on the grounds of redundancy or for the purpose of securing the resignation of any member of schools staff may be recovered (in full or part) from the schools budget if the Authority has good reason to do so.

DECISION MAKING PROCESS

6. Schools considering reducing their staffing complement through redundancies, premature retirement or severance agreement should consult with their HR provider in the first instance.
7. The school will be required to provide a written Business Case to the Local Authority setting out the possible need to reduce its staffing complement and the reasons for the reduction. A template Business

Case report is attached to the model Schools' Reduction and Reallocation of Staff procedure.

8. Decisions on whether to support funding will be made by a Local Authority Panel.
9. Where the Local Authority decision is not to fund a proposed reduction, the school has the option to continue with the proposals and meet any funding requirement from its delegated budget.

DISMISSAL ON THE GROUNDS OF REDUNDANCY

10. In the event of dismissal on the grounds of redundancy, schools staff with at least two years' continuous Local Government service will be eligible to:
 - receive a compensation payment calculated using a formula set out in the Annex attached, which comprises a defined number of weeks' pay based on age and continuous service at the date when employment is terminated;
 - receive a payment in accordance with the Council's current policy for redundancy compensation, which enables the Employment Rights Act (ERA) provisions to be enhanced, so that a week's pay is calculated on the basis of an employee's actual week's pay, rather than the statutory limit.
11. In addition to the redundancy compensation payment specified above, employees aged 55 or over who have at least three months' membership of the Local Government Pensions Scheme will receive immediate payment of an unreduced pension and lump sum based on their accrued contributory service at the date their employment is terminated.
12. As an alternative to the redundancy compensation payments specified above, teachers aged 50 or over, who have qualifying membership of the Teachers Pensions scheme, **may**, at the discretion of the employer, be awarded premature retirement and be able to receive immediate payment of an unreduced pension and lump sum based on their accrued contributory service at the date that their employment is terminated.

EARLY RETIREMENT IN THE INTERESTS OF THE EFFICIENCY OF THE SERVICE

13. Employees aged 55 or over with qualifying membership of the Teachers' Pension Scheme (TPS) may be awarded premature retirement in the interests of the efficiency of the service and receive immediate payment of unreduced annual pension and lump sum based on their accrued contributory service at the date their employment is terminated.
14. Employees aged 55 or over who have at least three months' membership

of the Local Government Pension Scheme who are dismissed on the grounds of increased efficiency will be eligible to receive immediate payment of unreduced annual pension and lump sum based on their accrued contributory service at the date their employment is terminated.

15. In approving early retirement on these grounds, the Governing Body will assess each case on its merits following receipt of a written case, taking into account the capital costs of early retirement and the efficiency savings that will accrue from allowing the early retirement to proceed.

FUNDING FOR COSTS

16. In accordance with Section 37 (5) of the 2002 Education Act, costs incurred by the Local Authority in respect of the dismissal or for the purpose of securing the resignation of any member of staff in a Maintained school shall not be met from the school's budget share for any financial year except insofar as the Authority has good reason for deducting those costs or any part of the those costs from that share.
17. The Local Authority has defined good reason to be:
 - where a school has decided to offer more generous terms than the redundancy compensation set out in this policy;
 - if a school acts outside of the Local Authority redundancy policy and does not act on Local Authority advice given;
 - where the school has surplus balances that it has not already committed to use for specific purposes;
 - where a school, is, in the Local Authority's judgement, able to absorb the redundancy costs.
18. In accordance with Section 37 (4) of the 2002 Education Act, costs incurred by the Local Authority in respect of any premature retirement of a member of staff in a Maintained school shall be met from the school's budget share for one or more financial years except insofar as the Authority agrees with the Governing Body in writing that they shall not be met. All premature retirement costs will be charged to school budgets in all but exceptional cases. Exceptional circumstances may include:
 - where a school has a long-term reduction in pupil numbers and charging such costs to its budget would impact on standards;
 - where a school is closing and does not have sufficient balances to cover the costs;
 - where charging such costs to the school's budget would prevent the school complying with a requirement to recover a licensed deficit within the agreed timescale;

- where a school is in Special Measures (or a similar category) and does not have excess balances and employment of relevant staff is being terminated as a result of Local Authority/Government intervention to improve standards.
19. Schools requesting support with redundancy and premature retirement costs must provide a Business Case outlining the reasons for the proposed dismissal and clear rationale why the school cannot afford to fund any such costs.
20. In considering any proposal the following criteria will be applied to a school's outline Business Case by the Local Authority in reaching a decision:
- Is there a clear and detailed rationale for the proposed staffing reduction?
 - Is the proposed reduction in staffing based on a reasonable and accurate prediction of the school's future financial position?
 - Has the school provided sufficient advance warning of any possible redundancy to the Local Authority?
 - Has the school carried out a thorough investigation of ways to avoid the redundancy?
 - Does the school have an agreed procedure and policy in place which will be followed to make any reduction in staffing?
 - Has the school considered redeployment as an alternative to redundancy?

SEVERANCE PAYMENTS

21. Section 37 of the Education Act makes it clear that the costs incurred in respect of securing the resignation of staff through severance arrangements shall not come from the school's delegated budget unless the Local Authority has good reason by refusing to fund all or part of the costs. Severance payments tend to be lump sum payments paid within a legal "compromise agreement".
22. Paragraph 17 sets out the Local Authority's "good reasons".

ANNEX

Compensation under the Employment Rights Act 1996 as updated by the Employment Equality (Age) Regulations 2006. Expressed in Number of Weeks pay.

Service (Years)																				
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
18*[1]	1																			
19	1	1½																		
20	1	1½	2																	
21	1	1½	2	2½																
22	1	1½	2	2½	3															
23	1½	2	2½	3	3½	4														
24	2	2½	3	3½	4	4½	5													
25	2	3	3½	4	4½	5	5½	6												
26	2	3	4	4½	5	5½	6	6½	7											
27	2	3	4	5	5½	6	6½	7	7½	8										
28	2	3	4	5	6	6½	7	7½	8	8½	9									
29	2	3	4	5	6	7	7½	8	8½	9	9½	10								
30	2	3	4	5	6	7	8	8½	9	9½	10	10½	11							
31	2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12						
32	2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13					
33	2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14				
34	2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15			
35	2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16		
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17	
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½	18
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18	
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½	19
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19	
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½	20
42	2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
44	3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
45	3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
46	3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
47	3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
48	3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
49	3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24	25
50	3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
51	3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25	26
52	3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½	26½
53	3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26	27
54	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½	27½
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27	28
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½	28½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28	29
Service (Years)																				
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½	29½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29	30
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½	30½
61*[2]	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30	31

18* [1] - It is possible that an individual could start to build up continuous service before age 16, but this is likely to be rare.

61* [2] - The same figures should be used when calculating the redundancy payment for a person aged 61 and above.