

# Taunton Deane Borough Council

## Full Council – 23 February 2016

### Staff Severance / Compensation Policies Updates and Pay Policy Statement

This matter is the responsibility of Councillor Richard Parrish, Portfolio Holder Corporate Services

Report Author: Fiona Wills, HR & OD Manager

#### 1 Executive Summary / Purpose of the Report

- 1.1 The purpose of the report is to review and approve the recommended changes to the Severance and Compensation policies as set out in the Redundancy and Retirement Policies of both Councils and the approval of the Pay Policy Statement 2016/2017.
- 1.2 West Somerset Council's Severance policy was last reviewed in April 2011 and Taunton Deane Borough Council's Compensation Policy in March 2007.

Following a period of significant change for both Councils with TDBC's Core Council Review in 2010, the implementation of a Joint Management and Shared Services arrangement (JMaSS) for both Councils between November 2013 and April 2015 and the recent Spending Review, it is now considered appropriate to review and recommend changes to both of these policies.

- 1.3 Section 38 (1) of the Localism Act 2011 requires local authorities to prepare and publish a pay policy statement for each financial year, approved by Full Council.
- 1.4 The pay policy statement describes the pay arrangements and policies that relate to the pay of the workforce which serves the Joint Management and Shared Services (JMaSS) Partnership between Taunton Deane Borough Council and West Somerset Council. This statement describes in particular the arrangements for the JMaSS senior staff and its lowest paid employees.

#### 2 Recommendations

- 2.1 To approve the recommended changes to the West Somerset Council's Severance Policy and Taunton Deane Borough Council's Compensation Policy as set out in the Redundancy and Retirement Policies.
- 2.2 To approve the Pay Policy Statement 2016/2017.

### 3 Risk Assessment (if appropriate)

#### Risk Matrix

Description	Likelihood	Impact	Overall
Failure to review severance/ compensation arrangements for all staff on a regular basis to take account of changes in legislation, economic and political conditions could lead to a loss of confidence in the organisation from auditors, residents and other statutory bodies	2	2	4
That proposals for changes in severance/ compensation arrangements could lead to a reduction of staff morale, which would impact on service delivery.	3	2	6

#### Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
			<b>Impact</b>				

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or occurs occasionally	50 – 75%
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

### 4 Background

- 4.1 As a result of the JMaSS project all staff previously employed by West Somerset Council transferred under TUPE regulations to Taunton Deane Borough Council.

However, although employed by TDBC, a small number of transferring staff opted to remain on West Somerset Council's terms and conditions. It is therefore necessary for both Councils to review their Compensation/ Severance Policies as the West Somerset Council policy would be applicable for these staff.

- 4.2 In reviewing the policies, best practice is to consider the policies with regard to both Councils' reserves, public perception and new employment legislation.
- 4.3 West Somerset Council's reserves have recently been impacted by the Business rate rebate to EDF and as a result of the media focus on large exit payments within certain areas of the public sector, new employment legislation will be introduced later this year to limit the total value of exit payments to £95k inclusive of pension strain costs. (Appendix B provides further details on this and other new employment legislation)
- 4.4 West Somerset Council's Severance policy currently applies the 30 week statutory redundancy table using a multiplier of 2. Early retirement in the interests of the efficiency of the service has no multiplier.
- 4.5 Taunton Deane Borough Council's Compensation policy currently applies the 30 week statutory redundancy table using a multiplier of 3. Early retirement in the interests of the efficiency of the service has a multiplier of 2.
- 4.6 West Somerset Council's Severance policy has two major changes proposed which are:
  - i) Reduce the multiplier to 1.5 times the statutory redundancy payment for redundancies
  - ii) Introduce pay protection where employment on less favourable terms is offered to an employee as an alternative to redundancy. An employee's basis pay will be protected for up to 2 years if the reduction in their basic pay does not exceed 17.5%
- 4.7 Taunton Deane Borough Council's Compensation Policy has three major changes proposed which are:
  - i) Reduce the multiplier to 1.5 times the statutory redundancy payment for redundancies
  - ii) Remove the multiplier for early retirement in the interests of the efficiency of the service
  - iii) Introduce pay protection where employment on less favourable terms is offered to an employee as an alternative to redundancy. An employee's basis pay will be protected for up to 2 years if the reduction in their basic pay does not exceed 17.5%
- 4.8 There are no changes proposed to other aspects of the Severance or Compensation policies (method of calculation, use of actual pay etc).
- 4.9 Set out below are the comparative details for the redundancy multiplier of other local authorities in Somerset:-

Authority	Redundancy multiplier	Actual Weekly Wage used in calculation
Somerset County Council January 2015	None	For voluntary redundancy only whilst for Compulsory redundancy this is limited to statutory maximum weekly amount.
Mendip District Council December 2015	Compulsory x 3 Voluntary x 2	Yes
South Somerset January 2015	2.5	Yes
Sedgemoor January 2015	3	Yes

4.10 Within the wider South West Region, the position is somewhat different to Somerset's and is detailed below:

Multiplier	Unitaries (11 responses)	Counties (4 responses)	Districts (24 responses)	Total (41 responses)
<b>3</b>			2 x all cases 1 x compulsory only	2 x all cases 1 x compulsory only <b>Total: 3</b>
<b>2.5</b>	1 x voluntary only		2 x all cases	2 x all cases 1 x voluntary only <b>Total: 3</b>
<b>2.2</b>			2 x all cases 1 x voluntary only	2 x all cases 1 x voluntary only <b>Total: 3</b>
<b>2</b>	3 x all cases 1 x non-schools only	1 x all cases	8 x all cases 1 x voluntary only	12 x all cases 1 x non-schools only 1 x voluntary only <b>Total: 14</b>
<b>1.75</b>	1 x non-teachers only	2 x all cases	3 x all cases 2 x compulsory only	6 x all cases 1 x non-teachers only 2 x compulsory only 1 x voluntary only <b>Total: 10</b>
<b>None</b>	5 x all cases 1 x compulsory only 1 x schools only 1 x teachers only	1 x all cases	3 x all cases plus 2 x voluntary only 1 x compulsory only	9 x all cases 3 x compulsory only 2 x voluntary only 1 x schools only 1 x teachers only <b>Total: 16</b>
<b>Other</b>	1 x all cases			1 x all cases <b>Total: 1</b>

## 5 Links to Corporate Aims / Priorities

5.1 Each Council has a statutory duty to approve a pay policy statement on an annual

basis to comply with Section 38 (1) of the Localism Act 2011.

## **6 Finance / Resource Implications**

- 6.1 The proposed reductions in compensation or severance payments to redundancy and retirement in the interests of the efficiency of the service will assist both Councils in meeting their Medium Term Financial Plans and to accommodate the employment legislation changes to exit payments.

## **7 Legal Implications**

- 7.1 The Councils' ability to make compensation/ severance payments to staff for redundancy or early retirement in the interests of the efficiency of the service are covered by both employment legislation and the Local Government (Early Termination of Employment (Discretionary Compensation) (England & Wales) Regulations 2006.

## **8 Environmental Impact Implications**

- 8.1 There are no environmental impacts from this report.

## **9 Safeguarding and/or Community Safety Implications**

- 9.1 There are no safeguarding or community safety implications arising from this report.

## **10 Equality and Diversity Implications**

- 10.1 An equality impact assessment is not required. Severance/ Compensation payments and payments in the interests of the efficiency of the service are based on the statutory redundancy tables and reflect current statutory legislation. When changes were made on a national basis to the redundancy provisions an equality impact assessment was undertaken and objectively justified.

## **11 Social Value Implications**

- 11.1 Although this report makes changes to severance/compensation arrangements in West Somerset and Taunton Deane BC it also proposes changes to include a pay protection measure designed to assist staff remaining in employment and as a measure to avoid redundancies.

## **12 Partnership Implications**

- 12.1 As part of the consultation on reviewing terms and conditions etc partners such as South West One were notified of these proposals as they apply to seconded staff.

### **13 Health and Wellbeing Implications**

- 13.1 Although this report makes changes to severance/compensation arrangements in West Somerset and Taunton Deane BC it also proposes changes to include a pay protection measure designed to assist staff remaining in employment and as a measure to avoid redundancies.

### **14 Asset Management Implications**

- 14.1 There are no asset management implications arising out of this report.

### **15 Consultation Implications**

- 15.1 Staff and the recognised trade union, UNISON, have been consulted on these changes as part of the Review of Terms and Conditions, Non Contractual Policies and Working Practices. 86 responses were received from 600 staff as part of the consultation and 18 of these were specific to the proposed amendments to the severance/Compensation schemes.
- 15.2 The 18 responses were not supportive of the proposed changes and comments ranged from 'unsupportive of staff' to 'a 50% reduction for TDBC staff and only a 25% reduction for those on WSC terms and conditions'.
- 15.3 The joint UNISON branch has also been provided with a copy of this report and have commented:

In an era of uncertainty about future job security, staff are understandably worried about any proposal that seeks to reduce the amount they might receive in the event of redundancy.

Whilst UNISON accepts that local authorities are facing acute financial pressures, it believes that the proposal to reduce the redundancy multiplier to 1.5 for all staff is unduly harsh. The table in paragraph 4.10 suggests that, on average, a higher factor is applied across the South West: out of the 40 cases mentioned, more than half the authorities surveyed offer 1.75 or above, and the statistical average appears to be around 2.1.

If there is a concern about the cost of pay-outs for high earners, is it not possible to introduce a cap on maximum sums paid, or a sliding scale, so that people on relatively lower pay do not see their severance terms reduced?

If the employer is not in fact likely to propose redundancies, why reduce the multiplier at all, as no savings would result?

Phil Bisatt

Linda Sully  
Joint Branch Secretaries, Taunton Deane & West Somerset UNISON

## 16 Scrutiny Comments

The report will be considered by Scrutiny on Thursday 18<sup>th</sup> February and any comments will be shared with Members following this meeting.

### List of Appendices (delete if not applicable)

Appendix A	Pay Policy Statement 2016/17
Appendix B	Proposed Changes in Employment Legislation 2016/17

### Contact Officers

Name	Fiona Wills, HR Manager	Name	
Direct Dial	01823 356450	Direct Dial	
Email	f.wills@tauntondeane.gov.uk	Email	

Name		Name	
Direct Dial		Direct Dial	
Email		Email	

## Pay Policy Statement 2016/17

### 1. Background

The Pay Policy Statement is intended to bring together sufficient information about the different elements of the local authority's pay policies to enable local taxpayers to reach an informed view about local decisions on all aspects of pay and reward for employees. It also provides the context for the more detailed financial information that is already published by local authorities under the Code of Recommended Practice for Local Authorities on Data Transparency and by the Accounts and Audit (England) Regulations 2011.

### 2. The Joint Management and Shared Service partnership between Taunton Deane Borough Council and West Somerset Council

In November 2013 the two councils entered into an agreement by which services would be delivered by a single workforce across the two local authority areas.

In order to reduce costs and increase efficiency for the two councils the workforce is led by a single Chief Executive and team of senior staff which replaces the two separate management teams which served the two councils before the agreement was approved. The two councils share the salary costs of senior employees set out in this statement.

The transfer of staff into a reorganised single workforce was completed in 2015 and all staff, on behalf of the Partnership, are now employed by Taunton Deane Borough Council.

Elected members, at respective Council meetings on 12 November 2013, considered and approved the details of senior salary packages for the Joint Management Team and a revised pay and grading scheme for the single workforce.

This Pay policy Statement represents the position on the pay structures and other elements of the remuneration package for staff as at 31 March 2016.

### 3. Policy statement

The Partnership is committed to ensuring transparent, fair and equitable pay and reward arrangements that provide value for money and enable the recruitment and retention of employees with the skills and motivation to deliver high quality services for Taunton Deane Borough Council and West Somerset Council and its communities. The policies that support these objectives are summarised in this document.

### 4. Scope



The pay statement describes the pay arrangements that apply to the Joint Management Team (the senior employees) and the lowest paid employees.

For the purpose of this pay statement **senior employees** are defined as those staff in the top three tiers of management; the Chief Executive, three Directors, the Assistant Chief Executive and seven Assistant Directors.

The pay and grading of employees, other than senior employees, are currently set using pay structures divided into grades within which there are spinal column points setting the pay rates. Posts are allocated to a pay grade through a process of job evaluation.

The current pay and grading structure for the workforce is set out in the attached Appendix B. As agreed by the two Councils, the Taunton Deane Borough Council pay and grading structure is being used.

For the purpose of this statement **lowest paid employees** for the two councils are defined as follows:

- Those who receive a salary equivalent to Grade C on the councils' pay structure. This is because no employee of the councils is paid at a grade lower than Grade C.

The Councils are required, for the purposes of this statement, to define their 'lowest paid employees' and also to explain why they have adopted this definition.

Other than the posts set out above (senior management) and recognised apprentices, all posts within the councils have been subject to Job Evaluation to assess the value of the job content and then, subject to that value, have been placed in an agreed grade.

The Councils will therefore define their lowest paid employees as those on the minimum pay points as these (apart from apprentices) are the lowest hourly rates paid to employees of the Councils. The Councils have adopted this definition, as it can be easily understood.

It should, however, be pointed out that the pay scales of both Taunton Deane Borough Council and West Somerset Council were amended by Members to commence from the current 'Living Wage' (outside of London) in December 2013 and therefore the lowest hourly rate paid to employees is the equivalent of the Living Wage.

## **5. Remuneration of senior employees**

As part of the annual Pay Policy Statement each Council must state:

- (a) The elements of remuneration for each senior employee
- (b) The policy for determining the remuneration of senior employees on recruitment.

The Joint Management Team are employed on fixed pay points for all posts within the top three tiers and therefore remuneration in terms of salary will be fixed on appointment.

Any other elements of remuneration, as set out in Appendix A, that are relevant at the point of recruitment are highlighted accordingly.

The Leaders will, after taking independent pay advice from South West Councils or similar, recommend the remuneration package on appointment to the above posts to Full Council prior to advertisement of any vacancy. The remuneration package will then have been subject to the approval of Full Council.

- (c) How any increases and additions to remuneration for each senior employee are made?

Annual cost of living pay awards are negotiated nationally by the Local Government Employers organisation and, where a pay award is agreed, these will be applied to the fixed pay point of the employee.

The Councils have the ability to determine certain Local Government Pension Scheme Discretions and the Discretions which have been adopted by each authority are included in the annual Pay Policy Statement. These are unaltered in 2016/17.

The post of Chief Executive is employed on the Terms and Conditions of Employment agreed by the Joint Negotiating Committee (JNC) for Chief Executives and all other senior employees are covered by the Terms and Conditions of Employment agreed by the JNC for Chief Officers all of which are supplemented by local terms and conditions agreed by Taunton Deane Borough Council as the employer.

- (d) The use of performance-related pay for chief officers.

The councils do not operate Performance Related Pay schemes for any of its staff.

- (e) The use of bonuses for senior employee.

The councils do not operate Bonus Schemes or Bonus Payments for any of its staff.

- (f) The approach to the payment of senior employees on their ceasing to hold office under or to be employed by the authority

Any termination payments to senior employees on ceasing office will comply with the policies current at that time, which will have been approved by Full Council of the employing authority. No additional termination payments will be made without the approval of the Executive/Cabinet, this will include any Settlement Agreements, which

may be subject to a confidentiality clause. The current joint redundancy policy and retirement policies for both Councils are included in the Pay Policy statement in the appendices.

That where severance payments for staff exceed £100,000 they will be reported to Full Council for approval and in presenting information to Full Council the components of the relevant severance package will be clearly set out. These components may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid.

- (g) The remuneration of senior employees who return to Local Authority employment.

Where the senior employee:

- (i) Was a previously employed senior employee who left with a severance payment and applies to come back as a senior employee.

Executive/Cabinet approval would be required to authorise re-employment within the authority of a previously employed senior employee who had left with a severance payment and is seeking re-employment.

- (ii) Was previously employed by the same authority and have come back as a senior employee under a contract for services.

Executive/Cabinet will be required to approve any award of a 'contract for services' to a senior employee who has previously been employed by the authority.

- (iii) Is in receipt of a Local Government Pension Scheme Pension.

If an employee receiving a pension from the Local Government Pension Scheme becomes re-employed then their pension could be affected. This will apply where the pension in payment arose for a reason that resulted in a strain cost being paid by the employer (e.g. redundancy, interests of efficiency, ill-health, early retirement with consent or flexible retirement). If their pension plus the earnings from their new job is higher than the final pay their pension was calculated on, then their pension will be affected. For every pound that their earnings plus pension exceed previous pay, then their pension will reduce by a pound. This abatement will last for as long as the person exceeds their limit (so either when the new job ends or they reduce their hours so their earnings drop down below the acceptable level).

The Chief Executive is the appointed Returning Officer for Taunton Deane whilst the Assistant Chief Executive is the appointed Returning Officer for West Somerset Council and both receive a fee for County, District and Parish

Council and for Parliamentary Election duties. The fee for undertaking this role varies from year to year and is not subject to this policy since fee levels are set regionally and nationally.

## **6. Remuneration of other employees**

As explained in paragraph 5 above, the pay structure for all other employees consists of grades and incremental points set out in the attached appendices. Grades are allocated to jobs through a process of job evaluation which establishes the relative value of different jobs within the workforce. Both councils previously operated the same job evaluation scheme (the Greater London Provincial Council Scheme) and both Councils have agreed to continue to use this Scheme for the shared workforce. Salaries for all employees (including senior employees) are subject to increases agreed under national pay award settlements.

The councils' pay structures create the basis of the relationship between the pay of all employees within the scope of the Pay Policy Statement.

The maximum salary for the post of Chief Executive is approximately 6.91:1 times the maximum salary of the lowest paid employee in the workforce. The maximum salary of the Directors is 5.13:1 times the maximum salary of the lowest paid employee. The maximum salary of the Assistant Directors is 3.85:1 times the lowest paid employee.

The maximum salary for the post of Chief Executive is approximately 4.29:1 times the mean FTE salary.

## **7. Transparency and Publication of Data**

The councils will publish the Pay Policy Statement on the Taunton Deane Borough Council and West Somerset Council websites alongside other information relating to transparency/open government and this can be found on:

<https://www.westsomersetonline.gov.uk/transparency>  
[http://www.tauntondeane.gov.uk/irj/public/council/consultations/consultation?rid=/wpccontent/Sites/TDBC/Web%20Pages/Council/Consultations/Transparency%20Open%20Data\\_0](http://www.tauntondeane.gov.uk/irj/public/council/consultations/consultation?rid=/wpccontent/Sites/TDBC/Web%20Pages/Council/Consultations/Transparency%20Open%20Data_0)

## **8. Review**

The Localism Act requires councils to prepare and publish a pay policy statement for each financial year. The next statement is due for publication before the end of March 2017.

## **Appendices**

- Appendix A Remuneration to senior staff
- Appendix B Taunton Deane Borough Council Pay and Grading Structure
- Appendix C Taunton Deane Borough Council Local Government Pension Scheme Discretions
- Appendix D Taunton Deane Borough Council & West Somerset Council Joint Redundancy Policy
- Appendix E Taunton Deane Borough Council Compensation Policy
- Appendix F West Somerset Council Severance Policy
- Appendix G Taunton Deane Borough Council Flexible Retirement Policy
- Appendix H West Somerset Council Local Government Pension Scheme Discretions

## Appendix A – Remuneration to Senior Staff

### The Level and Remuneration for each Chief Officer

Post	Statutory Role	Terms and Conditions and JE Status	Salary	Salary Progression	Bonus or Performance related pay	Other Benefits	Pension Enhancement in Year
Chief Executive	Head of Paid Service	JNC Chief Executives – Out of JE	£110,000	No	No	Lease Car  Payment of Professional Subscription  *Election payments – Returning Officer  Payments relating to LGPS Employer Contributions	No
Strategic Director of Operations and Deputy Chief Executive	Section 151 Officer	JNC Chief Officers – Out of JE	£86,700	No	No	Lease Car  Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Strategic Director of Housing and Communities		JNC Chief Officers – Out of JE	£81,600	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Strategic Director Growth and Development		JNC Chief Officers – Out of JE	£81,600	No	No	Lease Car  Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No

<b>Post</b>	<b>Statutory Role</b>	<b>Terms and Conditions and JE Status</b>	<b>Salary</b>	<b>Salary Progression</b>	<b>Bonus or Performance related pay</b>	<b>Other Benefits</b>	<b>Pension Enhancement in Year</b>
Assistant Chief Executive	Monitoring Officer	JNC Chief Officers – Out of JE	£64,770	No	No	Payment of Professional Subscription  *Election payments – Returning Officer  Payments relating to LGPS Employer Contributions	No
Assistant Director Housing and Community Development		JNC Chief Officers – Out of JE	£61,200	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Corporate Services		JNC Chief Officers – Out of JE	£61,200	No	No	Lease Car  Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Planning and Environment		JNC Chief Officers – Out of JE	£61,200	No	No	Lease Car cash allowance  Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Resources		JNC Chief Officers – Out of JE	£61,200	No.	No	Payment of Professional Subscription  Payments relating to	No

Post	Statutory Role	Terms and Conditions and JE Status	Salary	Salary Progression	Bonus or Performance related pay	Other Benefits	Pension Enhancement in Year
						LGPS Employer Contributions	
Assistant Director Business Development		JNC Chief Officers – Out of JE	£61,200	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Operational Delivery		JNC Chief Officers – Out of JE	£61,200	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No
Assistant Director Property & Development ****		JNC Chief Officers – Out of JE	£61,200	No	No	Payment of Professional Subscription  Payments relating to LGPS Employer Contributions	No

\* Additional payments are made by Central Government to officers carrying out additional duties at elections. These payments will only be received when elections take place and vary according to the responsibility undertaken.

\*\* These thresholds relate to the publication of salary information as required under the Code of Recommended Practice for Local Authorities on Data Transparency (£58,200 is the minimum of the Senior Civil Service minimum pay band) and the Audit and Accounts Regulations (£50,000)

\*\*\* JNC Chief Officers – Out of JE. The job evaluation scheme is not applicable to Chief Officer posts. The salaries of Chief Officer posts are evaluated against local market data provided by South West Councils. This data provides salary details for comparable Chief Officer posts within comparable district councils.

\*\*\*\* Post is currently filled on a temporary basis.



**Appendix B Taunton Deane Borough Council Pay and Grading Structure**  
applicable from 1.01.2015

<b>Grade</b>	<b>SCP</b>				
<b>A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>B</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>C</b>	12 £15,916	13 £15,941	14 £16,231	15 £16,572	16 £16,969
<b>D</b>	17 £17,372	18 £17,714	19 £18,376	20 £19,048	21 £19,742
<b>E</b>	22 £20,253	23 £20,849	24 £21,530	25 £22,212	26 £22,937
<b>F</b>	27 £23,698	28 £24,472	29 £25,440	30 £26,293	31 £27,123
<b>G</b>	32 £27,924	33 £28,746	34 £29,558	35 £30,178	36 £30,978
<b>H</b>	37 £31,846	38 £32,778	39 £33,857	40 £34,746	41 £35,662
<b>I</b>	42 £36,571	43 £37,483	44 £38,405	45 £39,267	46 £40,217
<b>J</b>	47 £41,140	48 £42,053	49 £42,957	50 £43,881	51 £44,778
<b>K</b>	52 £45,690	53 £46,596	54 £47,508	55 £48,210	56 £48,915
<b>L</b>	57 £49,614	58 £50,319	59 £51,021	60 £51,723	61 £52,428

## **Appendix C - Written Statement on Local Government Pension Scheme Employers Discretions and Key Pensions Policy**

**Taunton Deane Borough Council**

**April 2016 to 31 March 2017**

### **LGPS (Administration) Regulations 2008**

#### **Regulation B30 (2)**

The Council will allow individual former employees leaving employment on or before 31 March 2014 the option to request early payment of benefits after on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

#### **Regulation B30 (5)**

With regard to the early payment of benefits on or after age 55 and before age 60 made under B30 (2) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

#### **Regulation B30A (3)**

The Council will allow the option to request an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 which will be considered on a case-by-case including the production of evidential support. This applies to employees leaving service on or before 31 March 2014.

#### **Regulation B30A (5)**

With regard to an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 made under B30A (3) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

## **Local Government Pension Scheme Regulations 1997 (as amended) in relation to active councillor members and pre 1 April 2008 scheme leavers.**

### **Regulation 31 (2)**

The Council will allow a post 31 March 1998/pre 1 April 2008 leaver or from a councillor member the option to request early payment of benefits after on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

### **Regulation 31 (5)**

With regard to the early payment of benefits made in accordance with Regulation 31 (2) the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

### **Regulation 31 (7A)**

The Council will allow councillor optants out and pre 1 April 2008 employee optants out the option to request payment of benefits at normal retirement date and these will be considered on a case-by-case basis following the production of a business case.

## **The Local Government Pension Scheme Regulations 2013**

### **Regulation 100 (6)**

It is not Council policy to extend the 12-month limit on transfer of previous pension rights into the LGPS.

### **Regulation 9 (1) and 9 (3)**

It is Council policy to allow employee contribution rates to be determined as changes occur during the financial year.

### **Regulation 16(2)(e) and 16(4)(d) Funding of Additional Pension**

It is not the policy of the Council to fund additional pension and will not enter into a shared cost additional pension contributions arrangement.

### **Regulation 30(6) Flexible Retirement**

The Council will allow benefits to be paid to a member of staff if they reduce their hours/grade (known as flexible retirement) and this is set out in the Council's Retirement Policy. Each case will be decided individually after the consideration of a detailed business case and only applies to those aged 55 and over.

### **Regulation 30(8)**

With regard to flexible retirement and requests from staff aged 55 or over for retirement the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

### **Regulation 31 Award of Additional Pension**

It is not the policy of the Council to award Employer APC for active member leaving on redundancy/efficiency other than by allowing employees leaving on grounds of redundancy/efficiency to use compensation payments to fund additional pensions.

### **The Local Government (Early Termination of Employment) Discretionary Compensation Regulations 2006**

As set out in the Redundancy Policy the Council do not limit redundancy payments to the statutory maximum weekly pay threshold and instead use actual weekly pay of the employee.

The Council does not offer a minimum payment with regard to redundancy. Benefits are calculated using actual weekly pay and the statutory number of weeks as calculated against continuous local government service (and service covered by the Modification Order).

The Council provides up to 60 weeks compensation, in addition to any redundancy payment as set out in both the Compensation Policy.

Where additional compensation is paid the employee has the option to augment pension benefits by using all of the additional compensation unless specific criteria are met.

## **Appendix D – Taunton Deane Borough Council and West Somerset Council Redundancy Policy**



**Implementation date of policy** 1 April 2016

**Review date** April 2017

### **Redundancy and Redeployment Policy**

#### **Introduction**

This policy covers all redundancy situations that may arise within the One Team structures of Taunton Deane Borough Council and West Somerset Council (the Councils).

The Councils recognise a responsibility to safeguard the job security and prospects of their employees as far as possible. They also recognise that they must adapt to change and that this process of combining and transforming services will inevitably affect the structure and size of the workforce.

#### **Scope**

The policy applies to the employees of One Team.

#### **Aims**

The aim of this policy is to set out a clear and fair process for handling redundancies. In doing so, it ensures employees, managers and UNISON are clear of the procedure that is being followed through any redundancy process.

As far as possible, the Councils will seek to avoid or minimise the need for compulsory redundancies, this policy sets out the ways in which the Councils will do this which now includes pay protection.

## **Redundancy Procedure**

### **Consultation**

Where the possibility of redundancies is identified the Councils will inform and consult with the relevant trade union representatives as early as possible and before any formal decisions have been made. As part of the consultation the Council will provide the following information:

- the reasons for the proposed redundancies;
- the numbers and descriptions of employees it proposes to make redundant;
- the total number of employees of those descriptions employed at the establishment in question;
- the proposed method of selecting those who may be dismissed;
- the proposed method of carrying out the dismissals, including the period over which the dismissals are to take effect;
- the proposed method of calculating any redundancy payments;
- the number of agency workers working temporarily for, and under the supervision and direction of, the employer;
- the parts of the employer's business in which the agency workers work; and
- the type of work that the agency workers carry out.

Formal consultation shall be deemed to commence on the date when these details are given in a letter to the Branch Secretaries of UNISON.

Consultation timescales will depend upon the scale of potential redundancies and will be as follows:

- A minimum of 30 days before the first dismissal takes effect, where up to 99 employees are to be made redundant over a period of 90 days or less; or
- A minimum of 45 days before the first dismissal takes effect, where more than 100 employees are to be made redundant over a period of 90 days or less

Any consultation responses received in time will be included in any committee reports to be considered by the appropriate Committee.

### **Measures to avoid or minimise compulsory redundancies**

The Councils will, in consultation with the appropriate trade union representatives explore any options to avoid or minimise the need for compulsory redundancies. Alternatives may include (not in order of priority):

- Reductions through natural staff turnover (ie not automatically replacing employees who leave);
- Seeking volunteers for redundancy;
- Redeployment, including retraining where appropriate;
- Stopping or reducing overtime other than contractual or emergency overtime;
- Restrictions on permanent and/or external recruitment;
- Termination of casual or agency worker arrangements;
- Flexible retirements/voluntary reduction in hours.

## **Employees 'at risk' of redundancy**

### **Notification of 'at risk' status**

As soon as practicable after the unions have been informed of the potential for redundancies, any individuals affected will be informed that they are 'at risk' of redundancy and that consultation has commenced. An individual will be identified as being 'at risk' of redundancy if their current post does not exist in a new structure or there will be a reduction in the number of the same post in a new structure. This will be confirmed in writing with an estimate of any redundancy payment and if applicable, pension payment due.

Throughout the consultation period, further meetings (usually mid consultation and at the end of the consultation period) will be arranged with individuals 'at risk' of redundancy to discuss any concerns, redeployment opportunities, any selection processes etc. Records of any discussions will be kept on the employee's personal file.

### **Rights of employees 'at risk'**

Employees 'at risk' of redundancy have certain rights. The Councils will make every effort to redeploy the individuals within the Councils services.

Employees are entitled to reasonable paid time off to look for alternative employment. This may include time off to attend interviews or attend relevant training courses. A reasonable amount of time is considered to be up to two days per week (pro rata for part-time employees). Such time off must be arranged in advance with the line manager.

A central register of employees 'at risk' of redundancy will be held in HR and those employees put 'at risk' will be informed by HR of all relevant vacancies arising within the Councils. Efforts will be made to redeploy employees within the Councils to retain skills, knowledge and experience and reasonable training will be provided if necessary.

The Councils will make every effort to facilitate employees search for new employment, either through in-house support or, on occasions, outplacement specialists. Support may include; advice on writing application forms or preparing CVs, interview tips, coaching etc.

### **Selection for redundancy**

Once a proposal for a restructure or reduction in headcount is approved and where compulsory redundancies are unavoidable, the ring fence arrangements and process of selection for redundancy will be agreed with UNISON. It may include some or all of the following criteria:

- Attendance records (other than absences covered by the Equality Act 2010);
- Disciplinary records ('live' warnings only);
- Skills and experience;
- Past performance records;
- A selection interview.

If a function or service is to be discontinued all employees directly related to the provision of that function will automatically be selected for redundancy.

If there is to be a reduction in the number of posts but the job descriptions remain largely unchanged, (i.e. duties are more than 80% the same). Selection will be based on agreed criteria and made by a selection panel that comprises of a higher level of management, at least one member of Corporate Management Team (CMT) and a representative from HR.

If a restructure involves the creation of new roles, selection for redundancy will be dependant on success at interview for those new roles. A new role is one where the duties are more than 20% different. A ring fence of employees that can apply for the new posts will be agreed with UNISON and will be based on job type, grade and/or salary levels. The appointment panel should consist of managers from a higher level of management, at least one member of CMT and a representative from HR.

This appointment process does not apply to posts named as Scheduled Posts on the constitution, (i.e. Chief Executive, Strategic Directors and Assistant Directors). As these appointments require an Appointments Committee, comprising of at least one member of each of the Councils Executive/Cabinet.

The employee/s selected for redundancy will receive written notification of the reasons for their selection as well as their proper contractual notice in accordance with their contract of employment or statutory notice whichever is greater.

**NB:** The cost of redundancy is not a factor that will be taken into account when selection for redundancy is made.

### **Calculation of redundancy payments**

Employees will be notified personally about their redundancy entitlements as soon as possible after they have been notified that they are 'at risk' of redundancy, including the compensation/severance payment in writing and details of any pension due where applicable.

The qualifying service in respect of redundancy payments is two years continuous local government service (in accordance with the Redundancy Payments (Local Government) Modification Order. Reckonable service is limited to the last 20 years before redundancy.

Statutory redundancy payments are made according to the following scale:

- (a) one and a half week's pay\* for each year of employment during which the employee was aged 41 and over;
- (b) one week's pay\* for each year of employment during which the employee was aged 22 to 40 inclusive;
- (c) half a week's pay\* for each year of employment in which the employee was aged 21 and under.

\* A week's pay is based on contractual pay and does not include occasional overtime or additional payments.



Appendix one includes a table with the number of statutory weeks entitlement according to age and continuous service.

If prior to the expiry of the employee's notice of dismissal an individual receives an offer of employment with a related employer (in accordance with the Redundancy Payments Continuity of Employment in Local Government Modification Order 1999) to start immediately or within four weeks of the end of the previous employment, a redundancy payment cannot be made by the Council.

### **Compensation/severance payments**

The Councils operate a discretionary enhanced redundancy payment scheme under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, as compensation for the loss of employment on redundancy grounds. Details of the Council's schemes are available from the HR representatives.

Employees will be entitled to the discretionary compensation/severance payments in accordance with the existing policy.

Redundancy and compensation/severance payments will be made to employees within 4 weeks of the date of leaving employment.

### **Local Government Pension Scheme Payments**

Employees that have been members of the LGPS for 3 months or more and are aged 55 or over, are entitled to the immediate unreduced payment of their LGPS benefits if dismissed on the grounds of redundancy.

### **Redeployment Procedure**

Wherever possible employees will be redeployed to avoid compulsory redundancy.

The Councils reserve the right in agreement with UNISON to apply a ring fence to new roles that are created as a result of any proposed restructures and offer them in the first instance to those employees at a similar job type grade/salary level within the existing structure and who have the relevant skills and experience that match the job description or person specification.

Where there is only one individual matched with the new position they will be slotted in.

Where there is more than one employee that matches the role or a group of employees to more than one role, a selection procedure panel will take place that involves a formal interview and other recruitment selection procedures.

All other vacancies arising within the Council where a suitable ring fence is not identified will be offered to employees 'at risk' of redundancy in the first instance. Such vacancies will be sent initially to the HR Team who will check them against the 'at risk' register for any suitable candidates. Employees will be matched according to

the essential criteria on the person specification, salary levels and preferred hours of work. Consideration must also be given to any reasonable appropriate training that will enable them to perform the duties of the role.

Any employees that meet the essential criteria will be made an offer of redeployment. Where more than one employee is matched to a vacancy a selection process will apply.

Any offer of redeployment will be made in writing and will include reference to a trial period, any training available, terms and conditions and protection arrangements if applicable.

Any employees that are redeployed into a new role will be given a 4 week trial period. This period may be extended by mutual agreement.

If the trial period is successful the employee will be sent written confirmation of any changes to terms and conditions. If the trial period is deemed unsuccessful by the manager, contractual notice will be reduced by the length of the trial period.

If an offer of redeployment is made by the Councils and the employee decides during the trial period that they wish to reject the offer, they must advise HR in writing within the trial period.

An employee who believes that a job offer is not suitable alternative employment may claim a redundancy payment. However, this will only be paid where the Councils agree that the job is unsuitable. The decision will be made by a Member of CMT, taking account of any changes to terms and conditions and the level of seniority.

## **Pay Protection**

Pay protection will be available where employment on less favourable terms is offered to an employee as an alternative to redundancy. An employee's basic pay will be protected for up to two years if the reduction in their basic pay does exceed 17.5%.

If, by accepting alternative employment, the reduction in an employee's basic pay exceeds 17.5%, pay protection is subject to the HR & OD Manager and the relevant Director being satisfied that there is some tangible benefit to be gained by the Council, for example, in circumstances where pay protection would be less costly than an employee's redundancy.

During the pay protection period, an employee's basic pay is protected on a 'mark time' basis. 'Mark time' means that during the period of protection, an employee's basic pay is frozen and that any increments and annual pay awards applicable to their previous job are not paid to the employee.

## **Appeals**

If an employee is aggrieved about their selection for redundancy they have the right of appeal. The appeal must be received in writing by HR within 10 working days of the decision being made. Refer to Council Appeal Procedure.

If the selection for redundancy was made by the Chief Executive the employee will have the right of appeal to be heard by an Appeal Committee comprising of at least one member of each of the Councils' Executive or Cabinet.

If the selection for redundancy was made by a Member of JMT other than the Executive, the employee will have a right of appeal to be heard by the Chief Executive.

All decisions made by the appeal panel are final.

**Appendix one – Table to show entitlement to statutory weeks’ redundancy based on age and continuous service**

		Years Service																		
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Age	18																			
	19																			
	20	1.0	1.0	1.0	1.0															
	21	1.0	1.5	1.5	1.5	1.5														
	22	1.0	1.5	2.0	2.0	2.0	2.0													
	23	1.5	2.0	2.5	3.0	3.0	3.0	3.0												
	24	2.0	2.5	3.0	3.5	4.0	4.0	4.0	4.0											
	25	2.0	3.0	3.5	4.0	4.5	5.0	5.0	5.0	5.0										
	26	2.0	3.0	4.0	4.5	5.0	5.5	6.0	6.0	6.0	6.0									
	27	2.0	3.0	4.0	5.0	5.5	6.0	6.5	7.0	7.0	7.0	7.0								
	28	2.0	3.0	4.0	5.0	6.0	6.5	7.0	7.5	8.0	8.0	8.0	8.0							
	29	2.0	3.0	4.0	5.0	6.0	7.0	7.5	8.0	8.5	9.0	9.0	9.0	9.0						
	30	2.0	3.0	4.0	5.0	6.0	7.0	8.0	8.5	9.0	9.5	10.0	10.0	10.0	10.0					
	31	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	9.5	10.0	10.5	11.0	11.0	11.0	11.0				
	32	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	10.5	11.0	11.5	12.0	12.0	12.0	12.0			
	33	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	11.5	12.0	12.5	13.0	13.0	13.0	13.0		
	34	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	12.5	13.0	13.5	14.0	14.0	14.0	14.0	
	35	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	13.5	14.0	14.5	15.0	15.0	15.0	15.0
	36	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	14.5	15.0	15.5	16.0	16.0	16.0
	37	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	15.5	16.0	16.5	17.0	17.0
38	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	16.5	17.0	17.5	18.0	
39	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	17.5	18.0	18.5	
40	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	18.5	19.0	
41	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	19.5	
42	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	
43	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	

		Years Service																		
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Age	44	3.0	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5
	45	3.0	4.5	6.0	7.0	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0
	46	3.0	4.5	6.0	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5
	47	3.0	4.5	6.0	7.5	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0
	48	3.0	4.5	6.0	7.5	9.0	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5
	49	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0	24.0
	50	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5
	51	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.0	17.0	18.0	19.0	20.0	21.0	22.0	23.0	24.0	25.0
	52	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
	53	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.0	20.0	21.0	22.0	23.0	24.0	25.0	26.0
	54	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
	55	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.0	23.0	24.0	25.0	26.0	27.0
	56	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	23.5	24.5	25.5	26.5	27.5
	57	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.0	26.0	27.0	28.0
	58	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	26.5	27.5	28.5
	59	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.0	29.0
	60	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	29.5
	61	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0
	62	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0
	63	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0
	64	3.0	4.5	6.0	7.5	9.0	10.5	12.0	13.5	15.0	16.5	18.0	19.5	21.0	22.5	24.0	25.5	27.0	28.5	30.0

Appendix E - Taunton Deane Borough Council - Compensation Policy

1. The following policy on Compensation Payments applies to redundancies and early retirements on the grounds of efficiency of the service, which take effect **after 31<sup>st</sup> March 2016**.
2. The calculation of redundancy payments is on the basis of actual salary.
3. The Council exercises discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, to make compensatory payments to employees being made redundant based on a multiplier of **one and a half times** the number of weeks an employee would be entitled to under the statutory redundancy formula, inclusive of any statutory redundancy payment, up to a maximum of 90 weeks' pay.
4. The Council requires that the full cost of any redundancies is recovered within a period not exceeding five years or by the normal retirement age, whichever is sooner.
5. Employees who are eligible to be paid a compensation payment on being made redundant, and who are members of the Local Government Pension Scheme, are given the option of converting their compensation payment (excluding the statutory redundancy payment) into augmented pensionable service. Augmentation is not an option where the compensation payment (excluding the statutory redundancy payment) purchases more pensionable service than the maximum allowable at age 65.
6. No compensation payments are made to employees who are allowed to retire early on the grounds of interests of efficiency of the service, irrespective of whether a voluntary request has been made by the employee or instigated by management.

## Appendix F - West Somerset Council - Severance Policy

1.	<p>The Council operates a discretionary enhanced redundancy payment scheme as compensation for loss of employment on redundancy grounds. The details of the Scheme are for information and may be amended from time to time at the discretion of the Council and after consultation with the Union. Please note the severance payments scheme is not legally binding.</p>
2.	<p>Pay a 'lump sum' payment using the statutory redundancy tables and applying a multiplier of <b>one and a half the statutory redundancy figure</b> based on actual week's pay up to a maximum of 60 weeks. In addition give the employee the option to convert the cash sum in excess of any statutory redundancy payment into a period of membership in the Local Government Pension Scheme. If taken as a cash lump sum the first £30k is tax-free.</p>
3.	<p>Redundancy compensation will only be paid to staff with two or more years of service.</p>
4.	<p>For the purposes of these calculations, a week's pay is defined as the employee's actual weekly pay, which is averaged over a twelve week period for employees whose earnings for basic hours (excluding overtime) varies from week to week. The maximum number of year's continuous service that can be counted for statutory redundancy payments is twenty years.</p>
5.	<p>The expression 'early retirement in the interests of the efficiency of the service' is difficult to define but the application of this scheme can be justified because: -</p> <ul style="list-style-type: none"><li>(a) it facilitates/encourages internal restructuring</li><li>(b) it allows for the retirement of an employee who is unable to match up to the changed requirements of his/her job</li><li>(c) The Local Government (Early Termination of Employment)(Discretionary Payments) (England and Wales) Regulations 2006 allow local authorities to use their discretion in the interests of the efficient exercise of that authority's functions.</li></ul>
6.	<p>The scheme is voluntary and it must be clearly understood that it is not meant to cover cases where action should be taken to dismiss an employee on grounds of discipline, ill health, and lack of qualifications or capability. Application of the scheme does not imply that an employee is or has become inefficient.</p>
7.	<p>If you retire in the interests of efficiency, you will be entitled to a lump-sum payment calculated using your actual week's pay and equating to the equivalent of the statutory number of weeks payable for redundancy, however you will not be entitled to receive a redundancy payment from the Council. It is not possible to augment your Pension if you retire in the interests of the efficiency of the service.</p>
8.	<p>Employees aged fifty-five years or over who are members of the Local Government Pension Scheme will receive payment of early pension retirement benefits.</p>

## **Appendix G – Taunton Deane Borough Council Flexible Retirement Policy**

### **Taunton Deane Borough Council**

#### **Full or Partial Flexible Retirement Policy**

1. Employees aged 55 (aged 50 up to 31 March 2010) who are members of the Local Government Pension Scheme are able to request payment of early retirement benefits whilst remaining in the Council's employment on reduced hours or a lower grade.
2. This right does not apply to employees who are in receipt of a redundancy payment and early pension benefits or who have taken early retirement in the interests of the efficiency of the service.
3. As a guide, a business case for flexible retirement where any reduction is minimal (e.g. less than 20% either in terms of reduced hours or lower grade) may be difficult to objectively justify.
4. Requests for flexible working may be instigated by employees who meet the criteria set out in 1. above at anytime but will only be able to make one request in any 12 month period.
5. An employee should, in the first instance, approach their line manager with a request for reduced hours, more flexible working patterns by putting their request in writing.
6. The line manager will notify the HR Advisory Team and a meeting will be arranged within 21 days to discuss the request from the employee.
7. At this point the HR Advisory Team will request an estimate of early retirement benefits from the Peninsula Pensions which will be provided to the employee and be used to complete the Flexible Retirement Approval Request Form.
8. The meeting between the employee, line manager and a member of the HR Advisory Team will discuss the request and business case and will only be referred for approval if it is operationally viable.
9. If the request is referred for approval this will be considered by the relevant Assistant Director and the HR & OD Manager.
10. It should be noted that employees who are retiring in this way before their normal retirement age will suffer an actuarial reduction in their benefits to reflect early payment. In exceptional compassionate circumstances the Council has the right to waive this actuarial reduction.

11. If the request is not referred for approval this will be confirmed to the employee in writing to the employee within 14 days of the meeting. The employee would have the right of appeal against this decision which should be made in writing to the Retained HR Manager within 10 days of receipt of the reason for refusal of the request or refusal to waive the actuarial reduction on compassionate grounds where the request is approved.
12. Appeals will be heard by a Strategic Director advised by the HR and OD Manager.



## Retirement in the Interest of Efficiency Pay – Ready Reckoner

Age	Complete Year's Service																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
18		1																		
19		1	1.5																	
20		1	1.5	2																
21		1	1.5	2	2.5															
22		1	1.5	2	2.5	3														
23		1.5	2	2.5	3	3.5	4													
24		2	2.5	3	3.5	4	4.5	5												
25		2	3	3.5	4	4.5	5	5.5	6											
26		2	3	4	4.5	5	5.5	6	6.5	7										
27		2	3	4	5	5.5	6	6.5	7	7.5	8									
28		2	3	4	5	6	6.5	7	7.5	8	8.5	9								
29		2	3	4	5	6	7	7.5	8	8.5	9	9.5	10							
30		2	3	4	5	6	7	8	8.5	9	9.5	10	10.5	11						
31		2	3	4	5	6	7	8	9	9.5	10	10.5	11	11.5	12					
32		2	3	4	5	6	7	8	9	10	10.5	11	11.5	12	12.5	13				
33		2	3	4	5	6	7	8	9	10	11	11.5	12	12.5	13	13.5	14			
34		2	3	4	5	6	7	8	9	10	11	12	12.5	13	13.5	14	14.5	15		
35		2	3	4	5	6	7	8	9	10	11	12	13	13.5	14	14.5	15	15.5	16	
36		2	3	4	5	6	7	8	9	10	11	12	13	14	14.5	15	15.5	16	16.5	17
37		2	3	4	5	6	7	8	9	10	11	12	13	14	15	15.5	16	16.5	17	17.5
38		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16.5	17	17.5	18
39		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17.5	18	18.5
40		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18.5	19
41		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19.5
42		2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5
43		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44		3	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5
45		3	4.5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46		3	4.5	6	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5
47		3	4.5	6	7.5	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48		3	4.5	6	7.5	9	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5
49		3	4.5	6	7.5	9	10.5	12	13	14	15	16	17	18	19	20	21	22	23	24
50		3	4.5	6	7.5	9	10.5	12	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5
51		3	4.5	6	7.5	9	10.5	12	13.5	15	16	17	18	19	20	21	22	23	24	25
52		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
53		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19	20	21	22	23	24	25	26
54		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
55		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22	23	24	25	26	27
56		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	23.5	24.5	25.5	26.5	27.5
57		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25	26	27	28
58		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	26.5	27.5	28.5
59		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28	29
60		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	29.5
61 plus		3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30

## **APPENDIX H**

### **WRITTEN STATEMENT ON LOCAL GOVERNMENT PENSION SCHEME EMPLOYERS DISCRETIONS AND KEY PENSIONS POLICY**

#### **WEST SOMERSET COUNCIL**

**April 2016 to 31 March 2017**

#### **LGPS (Administration) Regulations 2008**

##### **Regulation B30 (2)**

The Council will allow individual former employees leaving employment on or before 31.03.14 the option to request early payment of benefits after on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

##### **Regulation B30 (5)**

With regard to the early payment of benefits on or after age 55 and before age 60 made under B30 (2) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

##### **Regulation B30A (3)**

The Council will allow the option to request an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 which will be considered on a case-by-case including the production of evidential support. This applies to employees leaving service on or before 31 March 2014.

##### **Regulation B30A (5)**

With regard to an application for reinstatement of a suspended tier 3 ill health pension on or after age 55 and before age 60 made under B30A (3) above the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

#### **Local Government Pension Scheme Regulations 1997 (as amended) in relation to active councillor members and pre 1.4.08 scheme leavers.**

##### **Regulation 31 (2)**

The Council will allow a post 31/3/98/pre 1/4/08 leaver the option to request early payment of benefits after on or after age 55 and before age 60 which will be considered on a case-by-case basis following the production of a business case. In these cases no additional compensation will be awarded.

### **Regulation 31 (5)**

With regard to the early payment of benefits made in accordance with Regulation 31 (2) the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

### **Regulation 31 (7A)**

The Council will allow pre 1/4/08 employee optants out the option to request payment of benefits at normal retirement date and these will be considered on a case-by-case basis following the production of a business case.

## **The Local Government Pension Scheme Regulations 2013**

### **Regulation 100 (6)**

It is not Council policy to extend the 12-month limit on transfer of previous pension rights into the LGPS.

### **Regulation 9 (1) and 9 (3)**

It is Council policy to allow employee contribution rates to be determined as changes occur during the financial year.

### **Regulation 16(2)(e) and 16(4)(d) Funding of Additional Pension**

It is not the policy of the Council to fund additional pension and will not enter into a shared cost additional pension contributions arrangement..

### **Regulation 30(6) Flexible Retirement**

The Council will allow benefits to be paid to a member of staff if they reduce their hours/grade (known as flexible retirement) and this is set out in the Council's Retirement Policy. Each case will be decided individually after the consideration of a detailed business case and only applies to those aged 55 and over.

### **Regulation 30(8)**

With regard to flexible retirement and requests from staff aged 55 or over for retirement the Council retains the right to waive the actuarial reduction of benefits on exceptional compassionate grounds.

### **Regulation 31 Award of Additional Pension**

It is not the policy of the Council to award Employer APC for active member leaving on redundancy/efficiency other than by allowing employees leaving on grounds of redundancy/efficiency to use compensation payments to fund additional pensions..

## **The Local Government (Early Termination of Employment) Discretionary Compensation Regulations 2006**

As set out in the Redundancy Policy the Council do not limit redundancy payments to the statutory maximum weekly pay threshold and instead use actual weekly pay of the employee.

The Council does not offer a minimum payment with regard to redundancy. Benefits are calculated using actual weekly pay and the statutory number of weeks as calculated against continuous local government service (and service covered by the Modification Order).

The Council provides up to 30 weeks compensation, in addition to any redundancy payment as set out in both the Redundancy and Retirement Policies.

Where additional compensation is paid the employee has the option to augment pension benefits by using all of the additional compensation.

### **Forthcoming Employment Legislation Changes – 2016/17**

#### **Recovery of Exit Payments**

As part of the Small Business, Enterprise and Employment Bill 2014-2015, Regulations will be introduced in April 2016 to require public sector employees or office holders earning more than £80,000 p.a. to repay exit payments on a pro rata basis if they return to the public sector within 12 months.

This has been triggered by evidence that some senior employees re-joined the public sector within a year after receiving redundancy payments from the same or another public sector organisation.

#### **Capping of Public Sector Exit Payments**

Following consultation the government has stated that it is planning to introduce a cap on public sector exit payments in summer/autumn 2016. The cap will cover all types of payments made in relation to all exits from relevant employment during a 28 day period including pension strain costs. It is proposed that the cap will be set at £95k. The only exceptions will be payments relating to death, work-related injuries, ill-health retirement and payments made following tribunal claims for unfair dismissal and breach of contract.

#### **Trade Union Bill**

This is currently progressing through Parliament and proposes powers to prohibit public sector employers from providing a 'check off' service to its employees'. 'Check off' is the process under which trade union subscriptions are taken from employees' wages through the employer's payroll.

#### **National Living Wage**

A new National Living Wage will be introduced on 1 April 2016 of £7.20 per hour, applicable to workers aged 25 and over. This rate is expected to increase on an incremental basis so that by 2020 it reaches 60% of the national median earnings which is currently estimated at £9.35 per hour.