

EMPLOYMENT MATTERS COMMITTEE

5 DECEMBER 2018

EARLY RETIREMENT AND SEVERANCE PAYMENTS

Report from: Carrie McKenzie, Assistant Director - Transformation

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Summary

To present Members with a report of all decisions taken in relation to early retirements and severance payments for the period 31 March 2018 to 31 August 2018.

1. Budget and Policy Framework

1.1 Whilst there is no specific decision to be made based on the report, it is important that the Committee is apprised of all decisions taken in relation to early retirements and severance payments.

2. Background

2.1 The procedure for Managing Reorganisation and Redundancy was agreed on 26 September 2007. The Employment Matters Committee subsequently reviewed the policy on 15 April 2009, 2 November 2010 and 29 June 2011.

2.2 Decisions on early retirements and severance payments are taken by the Assistant Director - Transformation and the relevant Director. Employment Matters Committee receives quarterly reports on these decisions together with costings. This is in line with the Audit Commission's Report "Retiring Nature" which recommended that Members be informed of early retirement decisions and that the costs of the decisions taken are reported.

3. Advice and analysis

3.1 Early Retirement and Severance decisions

3.2 School based staff

3.2.1 During the period of this report, there was one school-based member of staff who was either made redundant (voluntary or compulsory) or took early retirement at a total cost of £22,441.34.

3.2.2 The Education Act 2002 sets out how premature retirement and redundancy costs should normally be funded. The Act states that costs incurred by the local authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share unless the authority agrees with the governing body in writing that they shall not.

3.2.3 Costs incurred by the local authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share except in so far as the authority has good reason for deducting those costs from that share. The Medway Scheme for Financing School's outlines when redundancy costs will be charged to the school's delegated budget shares:

- Where the school is making staffing reductions which the authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit;
- Where a school has not or has refused to engage with the authority's redeployment policy;
- Where a school has decided to offer more generous terms than the authority's policy then the excess will be charged to the school;
- Where a school is otherwise acting outside the local authority's policy.

3.3 Non school based staff

3.3.1 During the period of this report there were twenty nine non-school based members of staff who were either made redundant or took early retirement at a total cost of £250,376.68.

3.4 Total cost

3.4.1 The total cost to the Council of all staff made redundant or who took early retirement during this period is £272,818.02.

4. Financial and legal implications

4.1 A detailed breakdown of early retirement and/or redundancy payments for the period 1 April to 31 August 2018 is set out in the exempt Appendix (attached for Members only).

4.2 All decisions are made in accordance with the Council's procedures for managing redundancy and early retirement.

4.3 There are no legal implications from this report.

5. Risk Management

- 5.1 There are no risk implications arising from this report. All decisions are made in accordance with the Council's procedures for managing redundancy and early retirement.

6. Recommendation

- 6.1 That the Committee notes the report.

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Appendices:

Appendix 1 (exempt) – Early retirement and/or redundancy payments for the period 1 April to 31 August 2018

Background papers

There are no background papers.