



Employment Matters Committee

28 January 2026

Early Retirement and Redundancy Payments

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Summary

To present the Committee with a report of all decisions taken in relation to early retirements and severance payments for the period 1 April 2025 to 30 September 2025. The Committee asked that the requests for flexible retirement were also captured in this report, so this has now been included as a standard item for this report.

1. Recommendations

1.1. The Employment Matters Committee is asked to note the report.

2. Budget and Policy Framework

2.1. 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.

3. Background

3.1. The procedure for Managing Reorganisation and Redundancy (now known as Organisational Change Policy) was agreed on 26 September 2007. The Employment Matters Committee subsequently reviewed the policy in April 2009, November 2010, June 2011 and November 2018.

3.2. Decisions on early retirements and severance payments are taken by the Chief Organisational Culture Officer and the relevant Director. Employment Matters Committee receives bi-annual 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.

- 3.3. Whilst Members need to be apprised of all decisions taken in relation to early retirement and severance payments, it is important that any data provided does not risk individual employees being identified. Therefore, to avoid any breach of General Data Protection Regulation (GDPR) and in accordance with Section 40 of the Freedom of Information Act 2000 and Article 5 of the GDPR, this report will not release data that may identify individuals involved.
- 3.4. A revised Flexible Retirement Policy was agreed by the Committee in October 2025. Flexible retirement is a way of enabling employees in the Local Government Pension Scheme (LGPS), who are aged 55 or over, to take some or all of their accrued pension benefits and continue working either on reduced working hours and/or in a lower graded role.
- 3.5. It is not Medway Council's general policy to waive any actuarial reductions applied to benefits paid early or where a scheme member has previously been awarded a deferred benefit. Each case will be considered on its merits.

4. Advice and analysis

Early Retirement and Severance decisions for the period 01 April 2025 to 30 September 2025.

4.1. School based staff

- 4.1.1. During the period of this report, there were X school based staff made redundant (voluntary or compulsory).
- 4.1.2. 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.
- 4.1.3. 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.

4.2. Non-school based staff

4.2.1. During the period of this report there was one non-school based member of staff who was made compulsory redundant at a cost of 18,687.97 and another member of staff who took early retirement at a cost of £31,333.81.

4.3. Total cost

4.3.1. The total cost to the council of all staff made redundant and who took early retirement during the period 1 April 2025 and 30 September 2025 is £50,021.78.

4.4 Flexible retirement requests

4.4.1 During this reporting period there have been 2 requests for flexible retirement, and both were accepted. Neither request sought to waive benefit reduction so there were no additional costs to the Council.

5. Financial implications

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

5.2. A breakdown of costs relating to early retirement and severance payments for the period 1 April 2025 to 30 September 2025 is attached at Appendix 1.

6. Legal implications

6.1. There are no direct legal implications from this report.

7. Risk Management

7.1. 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.

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Appendices

Appendix 1 - Breakdown of the early Retirement and Severance payments for period of 1 April 2025 to 30 September 2025

Background papers

None