



London Borough
of Hounslow

Severance Policy

Transformation & Human Resources

Issued by HR Policy Team
Effective from 3 December 2017

SEVERANCE POLICY

1 Introduction

- 1.1 This Policy applies to all employees of the Council, except those employed in schools under the control of Governing Bodies, for whom procedures adopted by the Governing Body will apply.
- 1.2 It will apply to employees, irrespective of age, with two or more years' service and whose employment is terminated early on the following grounds;
- The efficiency of the Council's service, where there are likely to be substantial efficiency gains as a result of an individual's early termination of employment.
 - Redundancy, whether through the release of volunteers or resulting from compulsory redundancy.
- 1.3 The application of the scheme is subject to the approval of the service's Director and the Head of Human Resources and all payments must be authorised under the Scheme of Delegation.
- 1.4 For the purpose of this policy, employees are as defined in section 230 of the Employment Rights Act 1996 or any substituting or amending legislation.
- 1.5 It is the Council's policy that redundancies should be avoided, and as such the Severance Scheme will only be used following all efforts to minimise job losses.
- 1.6 In cases of redundancy, the Council will not pay compensation to those for whom there is no statutory requirement to do so.

2 Benefits

- 2.1 The scheme provides for a payment to staff not exceeding 30 weeks' pay to be made to staff whose service is terminated on the grounds set out above.
- 2.2 Payments under this scheme are tiered in accordance with the statutory redundancy payments scheme.
- 2.3 A table showing scheme benefits is attached at Appendix A. The following points apply:
- A week's pay for calculating benefits under this scheme will be **actual weekly pay based on the grade of the substantive post (excluding any temporary allowances)** and there will be no limit dependent upon an individual's grade.
 - The maximum service recognised under this scheme is 20 years.
 - The payment will incorporate payments due under the statutory redundancy payments scheme; there will not be any additional payments

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under this scheme.

- Payments above £30,000 will be subject to the deduction of Income Tax at the appropriate rate.
- The Council recognises continuous service with any public authority to which the Redundancy Payments (Continuity of Employment in Local Government) (Modification) Order 1999 applies.

3 Pensions

- 3.1 Staff aged 55 and over who are members of the Local Government Pensions Scheme (LGPS) with over 3 months' pensionable membership may be eligible to receive their pension benefits immediately if they leave for reasons of redundancy. Further information can be found on the LGPS website.

<http://www.lgps.org.uk/lge/core/page.do?pageld=1>

4 Conditions of Acceptance

- 4.1 In order for the enhanced payments to be made under the Severance Policy, employees must be prepared to enter into a legally binding agreement. By signing an agreement, employees agree that they will not make any claims against the Council in relation to any aspect of their employment. Employees who are not willing to enter into a legally binding agreement will not be eligible for the enhanced payments under this Policy and instead will receive only the statutory redundancy pay to which they are entitled.
- 4.2 Monies owed to the Council e.g. for Car Loans, Relocation, Learning Agreements etc **will not be waived** and will be deducted from final salary payments or otherwise repaid on or before the last day of service. Employees must discuss arrangements to repay any outstanding sums with the HR Advisory Team.

5 Exclusions

- 5.1 Employees will be not receive compensation if
- They are offered [formally either verbally or in writing], on or before their last day of service, a job with anybody covered by the Modification Order to start within four weeks of their last day of service and they accept the offer:
or
 - They unreasonably refuse an offer of suitable alternative employment (please also refer to the Redundancy & Redeployment policy).

6 Further Information

- 6.1 This policy replaces the Early Retirement and Redundancy Compensation Policy.
- 6.2 The Council's Redundancy and Redeployment Policy remains in operation except for paragraph 2.31 which refers to the Redundancy Compensation Panel.

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Statutory Redundancy Pay Table

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

To calculate the number of weeks' redundancy pay that would be due consider the number of complete years of service (up to 20) and age. A week's pay may be capped at the rate of £489 per annum (2017/18).

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