

**EDUCATION AND LIBRARY BOARDS' SCHEME FOR REDUNDANCY IN ACCORDANCE WITH THE LOCAL GOVERNMENT (EARLY TERMINATION OF EMPLOYMENT) (DISCRETIONARY COMPENSATION) REGULATIONS (NI) 2007 as amended<sup>1</sup>**

The Scheme is operational from the date of change to the Regulations i.e. 1 April 2009 and extends to all non-teaching staff in the employment of the Education and Library Boards.

A basic requirement of the Scheme is that it complies with the principles of probity and public accountability. Its purpose is to facilitate the Board's need for flexibility in the efficient and effective deployment of human resources, while respecting the basic rights of all staff to fair and equitable treatment.

The Board makes the following Scheme for dealing with reductions in staffing levels as a result of:-

- i the closure of a school/facility;
- ii the termination of provision of a service;
- iii the decision to contract out an existing in-house function;
- iv the outcome of an establishment efficiency review;
- v the requirement by central government to reduce running costs;
- vi restructuring for reasons of efficiency, effectiveness and/or economy;
- vii any other requirement to reduce staffing levels.

## **1 INTRODUCTION**

- 1.1 The Board will normally seek to deal with necessary reductions in staffing levels through a voluntary approach in order to mitigate against the need to make compulsory redundancies.
- 1.2 Redundancy relates to the post, not to the person holding it. If a post disappears from the Board's or School's structure the post is redundant and the person holding the post is liable to be dismissed by reason of redundancy.
- 1.3 In exceptional cases, the level of redundancy may be effected at a level below the level of the redundant post. For example, a third tier officer could qualify for redundancy terms if a post at third or fourth tier is made redundant.
- 1.4 The Scheme is available to the Board to assist it to meet its needs as an employer. The initiative for invoking the Scheme rests with the Board and it should not be seen as an option afforded to an officer because he or she

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<sup>1</sup> **The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2009**

wishes to retire prematurely. The Scheme is available to meet the employer's needs.

- 1.5 In implementing the Scheme the Board will respect the rights of all staff to receive fair and equitable treatment.

## **2 IMPLEMENTATION**

- 2.1 Where circumstances require the Board to reduce staffing levels the Board will circulate an invitation to all eligible staff to submit an expression of interest. It will be made clear that expressing an interest will not amount to a commitment on the part of the officers concerned.
- 2.2 Having considered the circumstances associated with officers expressing an interest in premature retirement the Board will decide to whom offers can be made and provide these officer(s) with the details of their entitlement under the Scheme. Officers will be expected to make a commitment or to withdraw from the process at this stage.

## **3 ELIGIBILITY**

- 3.1 The Scheme to be operated is based on the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (NI) 2007 as amended.
- 3.2 Under these regulations all serving officers can be considered for early termination of employment arising from the need to make necessary reductions in staffing levels.

## **4 COMPENSATION AVAILABLE**

Under the Regulations and in accordance with eligibility, as defined under paragraph 3.2 above, the Board has authority to offer as discretion on its part:

### **EITHER**

- 4.1(i) An enhanced redundancy payment, above the statutory maxima to eligible officers. This redundancy payment will be based on one months salary/pay for each complete year of continuous service up to a maximum of 2 years (104 weeks) inclusive of a statutory redundancy payment and will be calculated on the basis of actual pay.

#### Calculation of one months pay

One months pay will be based upon one twelfth of the annual salary in payment at the date of termination of employment.

For staff paid on a 4 weekly lunar cycle, annual salary will be based upon 52.142857 x one weeks pay calculated in accordance with the provisions of Section 16 -25 Employment Rights (NI) Order 1996.

**OR**

- 4.1(ii) For officers eligible for pension release, early release of unreduced pension benefits plus an augmented added years pension, within existing limits, in addition to a statutory redundancy sum (up to a maximum of 30 weeks).

The maximum limits within which an eligible officer may be credited with an additional period of service will not exceed the shortest of the following, providing that the officer has fulfilled a minimum of 5 years reckonable service. The augmented added years pension of up to 6 2/3 years will be available up to the end of March 2009, after which added years will be offered on a phasing out basis to March 2011 as outlined below.

- (a) A period which brings aggregated service to that which would be applicable should the employee have reached aged 65<sup>2</sup>; or
- (b) Up to a maximum of 6 2/3 added years pension.

As at April 2009 the award of augmented added years will be offered on a phased basis as follows:

- (c) April 2009 - March 2010  
Eligible officers to be awarded 4 added years plus statutory redundancy;
- (d) April 2010 – March 2011  
Eligible officers to be awarded 2 added years plus statutory redundancy;
- (e) March 2011 onwards  
There will be no discretion on the part of the employer to offer augmented added years pension.

- 4.2 Additional years of service granted by the Board entitle officers to pension benefits.<sup>3</sup>

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**<sup>2</sup> To be fair and equitable to members who have retired under the 2003 Regulations this has been retained for the phasing out period.**

<sup>3</sup> *The phasing out arrangement detailed above was proposed in March 2007 on the understanding that the Education and Skills Authority and the Northern Ireland Library Authority would be established on the 1 April 2008 thus ensuring that those who obtained premature retirement on the grounds of redundancy in the run up to and following the establishment of the new organisations would be treated equitably and leave under the same terms.*

*Since the previous review of this policy and the agreement of the phasing out arrangement above ESA has been delayed on two separate occasions and NILA on one occasion which has resulted in the potential loss of the equitable treatment of staff affected by RPA, which was intended in the two year phasing arrangement for 6 2/3 augmented added years. Due to delays in the implementation of the Health and Social Services reorganisation as a result of RPA premature retirement arrangements in health have been extended to ensure the equitable treatment of all staff who take premature retirement on the grounds of redundancy as a result of RPA. In addition, some education and library board staff have been offered the option of 6 2/3 added years and will retire on the 31 March 2009 as a result of RPA. To ensure the fair and equitable*

## **5 ACCOUNTABILITY**

- 5.1 The Chief Executive, as Accounting Officer of the Board is accountable to the Permanent Secretary of the relevant Department for the management of public funds.
- 5.2 The costs of granting redundancy will be a matter for each employing authority based on affordability and value for money considerations.
- 5.3 The employing authority in granting redundancy will provide the officer with the details of the benefits attributable to each option and the officer will be permitted to access the option of choice subject to VFM considerations such as the relevant pay back period.

## **6 COSTS OF GRANTING DISCRETIONARY ADDED YEARS PENSION**

Reckonable costs will take account of:-

- (a) any statutory redundancy payment which may be due;
- (b) the cost of any added years pension payments which may be awarded (see paragraph 4); and
- (c) the capital costs to the Board for the early release of pension;

## **7 OTHER CONSIDERATIONS**

- 7.1 In all cases the Board's need to make necessary efficiency savings and the importance of an officer's role in meeting these needs will be the process of deciding which offers can be made. The Board will place a high priority on the need to maintain an efficient and effective organisational structure.
- 7.2 The Chief Executive post is a "prescribed officer post" and can only be appointed or dismissed with the approval of the relevant Department.
- 7.3 Officers who accept an offer made under this Scheme will have no entitlement to retrospective payments in respect of a redundancy sum.
- 7.4 Officers who accept an offer made under this Scheme will normally leave the Board's employment on an agreed date in accordance with their appropriate period of notice and will not normally have any entitlement to payment in lieu of leave not taken.

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*treatment of all staff employed in the education and library boards it is proposed that the above phasing out arrangement is amended, subject to Trade Union Side and Government approval, and the option of the 6 2/3 augmented added years be extended for the proposed period of the implementation of RPA in the education sector and thereafter the award of augmented added years as an option in premature retirement on the grounds of redundancy will cease.*

- 7.5 When considering possible redundancies the Board will apply the principles of Equality of Opportunity.
- 7.6 Officers are reminded that it is their responsibility to consider their personal financial circumstances and tax position in relation to any offer made. Advice should be sought from an Independent Financial Advisor

**11 May 2009**

**Agreed by JNC on 12.06.09**