



**London Borough
of Hounslow**

Leaving the Authority Policy

Transformation & Human Resources

Issued by HR Policy & Information Team
Effective from 23 September 2013

LEAVING THE AUTHORITY

1 Introduction

Purpose

- 1.1 The purpose of this Policy is to ensure that the process for termination of employment is applied consistently throughout the Council.

Aim

- 1.2 When employees leave the Council this may be an emotional time. It is the Council's aim that processes are operated efficiently and that employees are dealt with sensitively, in accordance with Council procedures and legislation. It is also important that their individual circumstances are taken into account.

Content

- 1.3 There are a number of ways in which an employment contract can be terminated. This policy addresses the following types of termination:
- Resignation
 - Redundancy
 - Retirement
 - Early Retirement
 - Dismissal under Other Employment Policies
- 1.4 The Policy also sets out expectations with regard to a number of general issues arising on termination:
- Notice
 - Annual Leave
 - Benefit Schemes
 - Leavers' Questionnaires
 - References
 - Return of Council Property
 - Leaving Whilst Away from the Workplace
 - Employee Counselling

Who does the policy apply to?

- 1.5 This Policy applies to all employees of the Council, except teachers and those employed in schools under the control of Governing Bodies.
- 1.6 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.

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Pensions Administrator

- 1.7 There are references throughout this policy to the Council's pension administrator. Further information, including contact details, can be found on the intranet under the A-Z, 'Pensions'.

2 Resignation

Definition

- 2.1 A resignation is a termination of the contract of employment by the employee. The Council cannot refuse to accept an employee's resignation.

Process

- 2.2 Employees who wish to resign should inform their line manager in writing of the following:
- the date on which they intend to terminate their contract of employment (their last day of service)
 - whether they have any outstanding annual leave, or have taken more leave than they are entitled to
 - whether they are participating in any salary sacrifice or other schemes where there are outstanding payments due to the Council (e.g. cycle to work scheme, purchase of annual leave, car parking)
 - when, during the notice period, they will be taking the outstanding annual leave. (See paragraph 2.9 if it is not possible to take annual leave during the notice period).
- 2.3 As soon as a resignation letter has been received, line managers must:
- respond to the employee, acknowledging receipt and acceptance of the resignation
 - inform the HR Advisory team.

Notice

- 2.4 An employee is required to give the amount of notice as stated in their contract of employment (see paragraph 8.1).
- 2.5 An employee leaving the Council without serving their full notice period is breaching their contract of employment. If an employee wishes to leave early, the effect is that the contract needs to be varied.
- 2.6 The employee must therefore obtain their line manager's written agreement to leaving without serving their full notice period.

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- 2.7 If an employee, who has given notice that they are resigning, changes their mind, they cannot simply withdraw their notice. Any request to withdraw notice must be in writing and set out the reasons for wishing to do so. Any decision to accept such a request will be entirely at the discretion of the Council.

Pay

- 2.8 An employee will receive their final salary on the last working day of the month in which they have left the Council's employment. P45s will be sent at the end of the month in which the employee has left.
- 2.9 If it has not been possible to take accrued annual leave during the employment (see paragraphs 8.3 – 8.6), outstanding annual leave will be paid in the final salary.
- 2.10 If an employee has taken more leave than they have accrued at the date of termination, a deduction to account for this will be made in the final salary.

Pension

- 2.11 Employees who are resigning and wish to clarify the situation regarding their pension should contact the council's pensions' administrator directly.
- 2.12 The Council will notify the pension administrator of any employee who is a member of the Local Government Pension Scheme and is resigning from the Council.

3 Redundancy

Definition

- 3.1 The definition of redundancy is set out in the Council's Redundancy and Redeployment Policy.

Process

- 3.2 The Council's Redundancy and Redeployment Policy sets out the process to be followed when an employee is to be dismissed on grounds of redundancy.

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Notice

- 3.3 The amount of notice which the Council must give to an employee whose contract is being terminated on redundancy grounds is set out at paragraph 8.2.

Pay

- 3.4 An employee who has two years' continuous local government service at the date of termination and is dismissed by reason of redundancy will qualify for statutory redundancy pay.
- 3.5 Any redundancy compensation, in addition to the statutory redundancy payment, will be considered and calculated in accordance with the Council's Severance Policy.
- 3.6 If an employee, who has been issued with notice of dismissal for redundancy, accepts a job with an employer listed on the 'Modification Order'¹ this may affect their entitlement to redundancy pay. Employees should contact HR for advice in these circumstances.

Pension

- 3.7 An employee who is being made redundant should consult the Council's pension administrator directly for advice about the affect on their pension.
- 3.8 Employees who are aged 55 and over, and are being dismissed by reason of redundancy, may be eligible for early release of their pension (see section 5 – Early Retirement).

4 Retirement

Definition

- 4.1 An employee retires from the Council when they voluntarily leave (see section 2 – Resignation) and draw their pension benefits.
- 4.2 The Council does not have a normal retirement age.
- 4.3 The Local Government Pension Scheme Regulations set out the stages at which members can draw their pension benefits as follows:
- At the age of 65, members have the right to draw an unreduced pension
 - At the age of 60 members have the right to draw a reduced pension

¹ The Redundancy Payments (Continuity of Employment in Local Government, etc. (Modification) Order 1999 (the Modification Order). This Order is updated periodically and employees should check with HR to confirm the most recent edition.

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- At the age of 55 members are able, only with the Council's consent, to draw a reduced pension (see section 5 – Early Retirement).

Pay

- 4.4 An employee who is retiring will receive their final salary on the last working day of the month in which they have left the Council's employment.

Pension

- 4.5 Employees who are retiring should clarify the situation regarding their pension with the Council's pension administrator directly.

Pre-Retirement Courses

- 4.6 The Council regularly runs pre-retirement courses for employees who are approaching retirement. For further details please contact the Organisational Development Team.

5 Early Retirement

- 5.1 Under the Local Government Pension Scheme (LGPS) Regulations certain employees may be able to retire early, that is to leave the Council's employment and gain access to their pension benefits (which may or may not be reduced).
- 5.2 Where an employee may be eligible for early retirement', they should contact the Council's pensions' administrator for further advice regarding the affect on their pension and benefits.
- 5.3 Employees are able to request early retirement, which will be considered against strict criteria (see paragraph 5.13 – 5.17).

Flexible Retirement

- 5.4 Employees aged 55 and over may, with the Council's consent, opt to take Flexible Retirement. This means that the employee reduces their hours and / or grade and elect for early payment of their accrued pension benefits. All requests for Flexible Retirement will be considered in accordance with the Council's Flexible Retirement Policy.

Early Retirement on the Grounds of Efficiency of the Service

Eligibility

- 5.5 The LGPS Regulations stipulate that for an employee to be retired early on grounds of efficiency of the service the following criteria must be

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satisfied.

- a. The employee must:
 - Have at least 2 years' reckonable service in the Local Government Pension Scheme
 - Be dismissed on grounds of efficiency of the service (the Council must certify that 'the employee has ceased to hold local government employment in the interests of the efficient exercise of their functions')
 - Be aged 55 or over
- b. The Council must be able to:
 - demonstrate clear, quantified efficiency gains that outweigh the cost to the Council of the employee's early retirement
 - find the full costs associated with early payment of pension or any other compensation costs.

Process

- 5.6 Line managers who are considering the termination of an employee's contract by reason of efficiency of the service must contact their HR Manager in the first instance.
- 5.7 In any case where termination on the grounds of efficiency is being recommended, approval must be sought via the Compensation Panel. Where there is no cost to the Council this decision is delegated to the Assistant Director Transformation & HR.

Early Retirement on the Grounds of Redundancy

Eligibility

- 5.8 The LGPS Regulations stipulate that for an employee to be retired early on grounds of redundancy the following criteria must be satisfied. The employee must:
 - Have at least 2 years' reckonable service in the Local Government Pension Scheme
 - Be dismissed on grounds of redundancy
 - Be aged 55 or over

Process

- 5.9 For an employee to be made redundant the procedure set out in the Council's Redundancy and Redeployment Policy must have been satisfied.
- 5.10 Requests from employees for discretionary pension payments will normally be delegated to the Compensation Panel, however where there

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is no cost to the Council such decisions will be considered by the Assistant Director Transformation & HR.

Early Retirement on the Grounds of Ill-Health

Eligibility

5.11 The LGPS Regulations provide that for an employee to be retired early on grounds of ill-health the following criteria must be satisfied. The employee must:

- Have at least 3 months' membership of the Local Government Pension Scheme or a transfer value has been credited to the employee
- Be certified, by an independent registered medical practitioner approved by the Council's pension administrator, as being permanently incapable of doing their current job with the prospect that the employee:
 - will not be able to undertake any gainful employment before normal retirement age (Tier 1); **or**
 - will become capable of undertaking gainful employment before normal retirement age although this cannot be carried out within three years of leaving local government employment (Tier 2); **or**
 - will become capable of undertaking gainful employment within three years of leaving local government employment, or before normal retirement age if this is earlier (Tier 3).

5.12 As regards the benefits payable under Ill Health Retirement, these differ depending on whether it is a Tier 1, Tier 2 or Tier 3 retirement. Further information should be obtained from the Council's pension administrator.

Process

5.13 Any decision to dismiss on grounds of ill-health must comply with the Council's Ill Health Retirement Policy.

5.14 Requests from employees for discretionary pension payments will normally be delegated to the Compensation Panel, however where there is no cost to the Council such decisions will be considered by the Assistant Director Transformation & HR.

Early Retirement Request

Eligibility

5.15 The LGPS Regulations stipulate that for an employee to be eligible for early retirement they must be aged 55 or over and:

- Have at least 3 months' membership of the LGPS; or;
- have brought in a transfer from another pension scheme; or
- already have a [deferred benefit](#) in the LGPS in England or Wales.

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Process

- 5.16 Employees aged 55 and over, may request early retirement from the Council. All requests must be made on the Early Retirement Request form.
- 5.17 Employees should be aware that early retirement will, in many cases, lead to a reduction in the benefits payable. Further information on the level of pension benefit that would be payable is available from the council's pension provider.
- 5.18 Applications will normally be considered by the Compensation Panel. In deciding whether to grant the request, the needs of the service and all associated costs will be considered. Where there is no cost to the Council decisions are delegated to the Assistant Director Transformation & HR.
- 5.19 In all cases, the decision to agree any such request is entirely at the discretion of the Council.
- 5.20 An employee whose request for early retirement is not granted does not have a right of appeal against this decision.

6 Dismissal under Other Employment Policies

Definition

- 6.1 An employee's contract of employment may be terminated by reason of dismissal under one of the following employment policies:
- Disciplinary
 - Capability
 - Management of Absence
 - Probation

Process

- 6.2 The appropriate process to be followed is set out under each of the relevant policies.

Notice

- 6.3 Employees will usually be dismissed with notice (see paragraph 8.2). Where an employee is being dismissed for gross misconduct, under the Council's Disciplinary Policy, dismissal may be with or without notice.

Pay

- 6.4 An employee who is being dismissed will receive any monies due to them in their final salary payment. This will be paid on the last working day of the month in which they leave the Council's employment.

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Pension

- 6.5 An employee who is being dismissed should consult the Council's pension administrator for advice about the effect on their pension.

Dismissal in Other Circumstances

- 6.6 In addition to the grounds for dismissal under one of the Council's employment policies (as set out in paragraph 6.1) there may be situations where the contract of employment is terminated for some other substantial reason or when continued employment would contravene another statute. In these circumstances, each case will be dealt with on its merits taking into account current employment legislation and best practice.

7 Death in Service

- 7.1 The death of an employee will, naturally, terminate the contract of employment. Arrangements will be made to ensure that any final payments and pension rights are dealt with promptly.
- 7.2 Consideration must be given to the most sensitive means of dealing with outstanding issues, e.g. letters of sympathy, return of personal property, informing next of kin about pay and pension entitlements.
- 7.3 Any possible issues of hardship should be considered. The Employee Counselling Service can offer advice to managers in dealing with such matters and colleagues of the deceased employee should also be reminded of the availability of this service.

8 Notice

For the Employee to Provide

- 8.1 Employees must give written notice of their intention to resign. The amount of notice required is stated in the contract of employment.

For the Council to Provide

- 8.2 The Council will give the employee written notice that the contract is being terminated. The amount of notice is governed by statute and by contract. If the employee's contract of employment provides for longer notice than the statutory minimum, then the contractual provision applies.

Annual Leave

- 8.3 Employees continue to accrue annual leave until the date that their contract of employment terminates.

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- 8.4 The Working Time Regulations provide that employees should take their annual leave, rather than receive payment for it instead.
- 8.5 The Council expects that employees will take any outstanding annual leave they have accrued before their contract of employment terminates. Similarly, any TOIL or flexi-time credit must be taken before the termination of the contract.
- 8.6 In exceptional circumstances it may not be possible (due to a genuine business need) for the employee to take their accrued annual leave, TOIL or flexi-time credit before their contract terminates. In these circumstances anything outstanding from the current leave year's entitlement will be paid in the final salary payment (see paragraph 2.9).

9 Benefits

- 9.1 If an employee, who is leaving, is participating in any of the benefits schemes operated by the Council, it will be necessary to settle any sums which are outstanding. For example:
- a. If an employee has committed to a salary sacrifice or other loan scheme (e.g. the Cycle to Work scheme, purchasing annual leave, interest free season ticket loan) and leaves before full repayment has been made, the outstanding amount will need to be repaid. If this has not occurred before the contract of employment terminates, the outstanding sum will be deducted from the final salary.
 - b. In certain circumstances, employees receive funding for training which is conditional on them continuing to work for the Council for a specified period of time once the training is completed. If an employee, in these circumstances, leaves before the expiry of that agreed period, the Council will deduct a proportion of the funding from the final salary payment.
 - c. In any other situation, where an employee is leaving with an outstanding debt to the Authority, a deduction will be made from final salary where appropriate. If this is not possible, arrangements will be made for the sum to be repaid or recovered. This may ultimately involve action through the courts. A record of any unpaid debts will be included in the ex-employee's personal file.

10 Exit Questionnaires

- 10.1 When an employee is leaving the Council they are encouraged to complete an exit questionnaire. The purpose of this is to seek feedback from employees about aspects of the Council.
- 10.2 The questionnaire is available on the HR Forms page of the intranet and should be returned to HR on completion.

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11 References

- 11.1 Line managers are responsible for responding to reference requests in respect of employees who are leaving or have left the Council. Care should be taken to ensure that information is factually accurate.
- 11.2 Further advice is provided in the Council's Providing References Policy.

12 Return of Council Property

- 12.1 When an employee leaves the organisation, it is their responsibility to return all property belonging to the Council, before their last day of service. This includes (though this is not an exhaustive list) identity passes, keys, car park swipe cards and discs, corporate uniforms, any equipment (e.g. laptops, hand-held personal organisers, computer equipment, mobile phones), intellectual property (e.g. drawings, designs, research, reports) and any other Council property.
- 12.2 Where equipment has been purchased for a disabled employee, using Access to Work funding, the line manager needs to make a decision about its future use. Where the equipment has been specifically adapted for the employee's needs it may be appropriate for the employee to take it with them to their new job. Generic equipment is likely to be held by the Council for the benefit of other disabled staff.
- 12.3 The Council will seek to recover any property that has not been duly returned.
- 12.4 Managers must consider the risk posed by employees not returning certain property (e.g. unreturned ID badges / corporate uniforms for employees working in influential areas). Where a potential risk is identified, the manager must make particular efforts to recover any items and may wish to consider taking advice on appropriate further action if the property is not returned.

13 Leaving Whilst Away From the Workplace

- 13.1 There will be instances where employees, who are away from the workplace, leave the Council e.g. a person on maternity leave, long-term absence, suspension etc. The employee will be leaving for one of the reasons already set out in sections 2 to 7 and the relevant processes must be followed. Certain aspects will be more complicated as the person is not at work, and these are set out below:

- (a) Exit Questionnaire

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Employees, who are away from work, should still be asked to complete and return an Exit Questionnaire as this provides valuable feedback to the Council.

(b) Return of Council Property

Employees who are away from the workplace must ensure that all Council property is returned before the termination of their employment contract. The Council will seek to recover any property which has not been returned.

(c) Return of Personal Property

Managers should consider the best way of ensuring that any residual personal property is returned to the employee.

(d) Forwarding Address

Employees are asked to provide a forwarding address to facilitate any further communication.

(e) Outstanding Annual Leave

Employees away from work may have outstanding annual leave. The previous sections, setting out the procedures to be followed under different types of contract termination, establish the relevant processes. There may be particular issues arising because the person is away from work. If there is any doubt about the appropriate approach, the line manager should contact HR for advice.

14 Outstanding Debts to the Council

14.1 The Council will seek to recover any debts which are outstanding when an employee's contract of employment terminates (e.g. loans, overpayment of salary, non-return of Council equipment).

14.2 Where debts are outstanding on termination, this will be recorded on the employee's personal file.

15 Returning as a Consultant

15.1 An employee who has left the Council cannot normally be engaged as a consultant within two years of leaving without the prior authority of the Cabinet. Further information is provided in the Council document: 'London Borough of Hounslow Tenders and Contracts Regulations'.

16 Employee Counselling

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- 16.1 If there are any issues which employees of the Council would like to talk about with one of the Employee Counsellors, they are free to contact them and make an appointment. Further information, including contact details, are available on the Council's intranet, A-Z, 'Counselling'.

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