



## REDUNDANCY POLICY

### Introduction

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1. Whilst organisational change, the need to implement financial or operational efficiencies and potential job surpluses are inevitable from time to time, the City of London Corporation will, wherever feasible in this context, seek to protect the security of individuals' employment and minimise the need for redundancies.
2. This policy sets out the procedure that will be adopted by the City of London at the point redundancies are foreseen, and the rights of employees at risk from redundancy. This policy, therefore, follows on from the point at which professional consultation (covered by the City of London's Restructuring Model) ends.
3. This policy only applies to those individuals working under a contract of employment for the City of London (i.e. it does not apply to casual workers, agency workers or contractors).

### What constitutes a redundancy?

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4. A redundancy dismissal occurs when an employee's dismissal is wholly or mainly attributable to:
  - the closure, or expected closure, of a business;
  - the closure, or expected closure, of a workplace; or
  - a decline, or expected decline, in the need for a particular kind of work to be undertaken at the place the individual was employed to do it.
5. Under this definition, the expiry of a fixed-term or temporary contract will be a redundancy dismissal providing that the dismissal is due to a genuine decline in need for the type of work the individual was undertaking. For example the project they had been employed to undertake reaching its conclusion.

### Policy principles

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6. On each occasion that redundancies are foreseen (excluding those which are expected to occur due to a fixed term contract legitimately coming to an end), a written proposal will be drawn up by the relevant Chief Officer (or their delegated representative).
7. Following professional consultation on organisational changes (under the Restructuring Module) concluding, employees who may be at risk of redundancy will be identified at the earliest opportunity, and consultation will begin at the point that initial proposals have been formulated.
8. The City of London will endeavour to minimise the need for compulsory redundancies through the consideration of alternative options to achieve the

organisational changes required and through actively seeking suitable redeployment opportunities for employees at risk of redundancy.

9. Employees will be expected to actively participate in the redundancy consultation process by considering the proposals put forward and contributing their opinions and/or ideas in a constructive and open manner.
10. Where there is more than one employee undertaking the type of work that there is a reduced need for, selection for redundancy will be based on a set of weighted factors, established in accordance with prevailing business needs. Such factors will comply with relevant anti-discrimination legislation and will be fairly and objectively applied.
11. Support will be provided to employees who are under notice of redundancy to assist them in finding work after their employment with the City of London comes to an end ([see paragraphs 50 - 52](#)).

### Reducing the need for redundancies

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12. The City of London will endeavour to minimise compulsory redundancies by taking the following actions, where operationally feasible and appropriate:
  - Maximising workforce planning opportunities (e.g. natural wastage);
  - Suspending recruitment of permanent employees to similar vacancies (and arranging temporary/agency cover) to maximise available redeployment opportunities for 'at risk' employees;
  - Ceasing/reducing the use of agency/casual workers and overtime working;
  - Retraining; and / or
  - Where appropriate, seeking volunteers for early retirement or redundancy.

### Selection pools and criteria

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13. At an early stage in the process, the Chief Officer (or their delegated representative) will identify the pool from which employees will be selected for redundancy. Whilst the selection pool will consist of employees who currently undertake the type of work which is reducing / disappearing, it may, additionally, include employees who have interchangeable skills or those who, under their existing contracts of employment, can be required to undertake the type of work which is reducing / disappearing (even if they are not currently undertaking it).
14. Where it is identified that only one employee is currently undertaking / can be required to undertake the type of work that is disappearing, it will not be necessary to undertake the selection process described below.
15. Selection for redundancy from the identified pool will be made on the basis of **objective** (i.e. capable of being evidenced) criteria which are **relevant** to

organisational needs and capable of being applied **independently** and **fairly**. For example:

- Skills and experience required for the future;
- Efficiency, output and quality of work;
- Suitability for retraining, if appropriate;
- Attendance record (excluding disability / maternity related absences);
- Flexibility/adaptability;
- Disciplinary record.

*This is not an exhaustive list*

16. Criteria will be set, and weighted, in accordance with specific departmental circumstances / prevailing business needs. Methods of assessing each criteria will also be set to ensure that objective decisions are made based on consistent application of the criteria.
17. Length of service or 'last in, first out' will not be adopted as criteria for redundancy selection as such criteria could potentially be discriminatory.
18. Where an employee in the pool for selection is disabled, pregnant or on maternity / adoption leave, the City of London will ensure that s/he is not put at any disadvantage in the application of the selection criteria and will, accordingly, make adjustments to remove any disadvantage that the employee might otherwise suffer.

## Voluntary redundancy

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19. Voluntary redundancy will be considered on a case-by-case basis and offered where there are clear business benefits to be achieved. For example, in a situation where the number of employees required to perform a particular role will decrease and all individuals currently undertaking the work have similar levels of skills and competence, volunteers for redundancy may be sought.
20. There is no automatic right to voluntary redundancy. Where volunteers are sought, management will retain the right to decide who to release. In such circumstances the over-riding consideration will **always** be the needs of the business (e.g. financial impact, retention of valuable skills and experience etc).
21. More information on the process that will be followed when volunteers for redundancy are being sought can be found in appendix 1.

## Consultation

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22. Consultation will be a fair and transparent two way process which will begin when proposals are at a formative stage. The Chief Officer (or their delegated representative), will ensure that 'at risk' employees who are off work due to

sickness, disability, maternity, adoption and other forms of authorised leave are included within the consultation process.

## Collective consultation

- 23.** There is a statutory requirement to undertake consultation with appropriate employee representatives (referred to as ‘collective consultation’) in situations where 20 or more redundancies are foreseen. Within the City of London, such consultation will be entered into with the recognised trade unions. In the interests of good employee relations, the City of London will informally consult with trade unions where less than 20 redundancies are foreseen.
- 24.** The City of London will commence consultation in line with the statutory requirements set out in the table below:

Number of jobs under threat of redundancy:	Notify the Department for Business, Innovation & Skills (BIS)?	Collective consultation required?	Consultation should begin:
Less than 20	No	No	As soon as is reasonably practical (ideally no later than 4 weeks before the first redundancy dismissal taking effect).
20 +	Yes, at least 30 days prior to first redundancy	Yes	At least 30 days prior to the first redundancy dismissal taking effect
100 +	Yes, at least 90 days prior to first redundancy	Yes	At least 90 days prior to the first redundancy dismissal taking effect.

- 25.** Proper consultation requires that enough information is provided to enable the recognised trade unions and the affected employees to understand the reasons for the proposals and the implications in terms of job losses. The Chief Officer (or their delegated representative) will, therefore, provide the following information in writing which will form the principle subject matter of consultation:
- the reason/s for the proposed redundancies;
  - the numbers and categories of employees who may be redundant, and the numbers of such employees at the establishment in question;
  - the proposed selection criteria and method of carrying out any redundancy dismissals;
  - the time period over which the redundancies may be carried out;
  - any proposed ways of avoiding redundancy, reducing the numbers affected, or mitigating the consequences of redundancy; and
  - the proposed method of calculating redundancy payments.

## **Individual consultation**

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- 26.** Once provisional selections for redundancy have been made (using the selection criteria and method outlined within the consultation document), the City of London will enter into individual consultation with the employees identified as being at risk from redundancy (this is likely to run concurrently with any collective consultation which is being undertaken, see [paragraphs 23-25](#) above). Each employee will have the right to be informed of the basis for their provisional selection and invited to put forward any representations.
- 27.** All ideas received from employees and the recognised trade unions during the consultation period to overcome the need for / minimise redundancies will be actively considered. Individual employees and the trade unions will be informed in writing of the outcome of the consultation process. This will include a summary of the ideas received and the consideration that was given to them.

## **Notifying employees of their selection for redundancy**

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- 28.** At the end of the consultation process, final selections for redundancy will be made using the agreed selection criteria.
- 29.** The Chief Officer (or their delegated representative) will write to each individual selected for redundancy to invite them to a meeting, at which they will have the right to be accompanied by a work colleague or trade union representative. At the meeting the employee will be informed of their selection for redundancy and the basis on which they have been selected. The employee will be provided with the opportunity to express their views, to raise any questions and to discuss and/or identify any further alternatives to redundancy.
- 30.** If, for unforeseeable and unavoidable reasons, the employee is unable to attend the meeting, it will be rearranged. Likewise, if the employee's companion is unavailable at the date / time of the proposed meeting, one alternative date / time will be offered within 5 days of the original date or, exceptionally, at another mutually agreed date.
- 31.** Following the meeting, alternatives suggested by the employee will be explored further, where appropriate, and actioned where operationally feasible.
- 32.** Where alternative solutions cannot be implemented, written notice of dismissal by reason of redundancy will be issued to the employee, providing them with the greater of their contractual or statutory notice. This letter will detail:
- the reason for the dismissal;
  - the effective date of the redundancy;
  - any entitlement to a redundancy payment (a written statement will also be provided to the employee detailing how the final figure was reached); and
  - the employee's right of appeal.

33. Whilst the employee will normally be expected to work their full notice period, in exceptional circumstances (i.e. where the City of London is unable to provide full notice) the employee will be paid in lieu of their contractual notice period (or the remainder of this where some notice has been given) in addition to any redundancy payment due.
34. During the employee's notice period, unless their redundancy was voluntary, the search for redeployment opportunities will continue.
35. Notice of redundancy will be withdrawn before the employee's last day of service if a suitable alternative role is identified through the redeployment process.

### Redundancy payments

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36. Employees with a minimum of two years' continuous service with the City of London, or with other local authorities / bodies listed in the Redundancy Pay (Continuity of Employment in Local Government, etc) (Modification) Order 1999, at their dismissal date will qualify for a statutory redundancy payment.
37. Statutory redundancy pay is calculated as follows, based on a maximum of 20 years' continuous service, working back from the effective date of the redundancy:
  - Below the age of 22, half a week's pay\* for each completed year of service.
  - 22 – 40 years of age, one week's pay\* for each completed year of service.
  - 41+ years of age, 1½ weeks' pay\* for each completed year of service.

*\* Under the legislation defining statutory redundancy pay the government caps a week's pay at a maximum level, which is reviewed in October each year. Details of the current year's cap can be found on the Business Link website: [www.businesslink.gov.uk](http://www.businesslink.gov.uk).*

38. In situations of both compulsory and voluntary redundancy, the City of London, at its discretion, reserves the right to calculate redundancy payments using the statutory calculation for determining the number of weeks due, but using the employee's actual weekly pay in place of the capped amount.
39. A 'ready reckoner' for calculating redundancy pay entitlements, based on an employee's age and length of continuous service, is included within Appendix 2.
40. Subject to an assessment of circumstantial factors, the City of London may, at its absolute discretion, offer enhanced severance terms to employees who have two or more years' service with the City of London Corporation (see Appendix 3 for further details of the principles that will be applied in respect of discretionary enhanced termination / loss of office payments).
41. The receipt of an enhanced payment will be conditional on the individual signing a redundancy termination (compromise) agreement. By signing the agreement (following advice from a qualified lawyer, which is funded to a set level by the City



of London) the employee will waive their right to pursue an Employment Tribunal claim against the organisation.

- 42.** Payments in excess of the statutory minimum will only be made if, during their remaining period of employment with the City of London, the employee:
- continues to co-operate with management in the undertaking of their duties;
  - maintains a good standard of performance and conduct;
  - remains in the City of London's employment for the full period required; and
  - is reasonably willing, when requested, to undertake other productive work of which they are capable during their remaining period of employment.

Employees will be informed at the earliest opportunity if their conduct under any of these headings is likely to place an enhanced redundancy or discretionary payment at risk.

- 43.** Any redundancy and discretionary payment (when totalled) of under £30,000 will be paid free of tax. Any amount paid in excess of this will be taxable.
- 44.** An individual will lose their right to redundancy pay, and any enhanced termination payment where applicable, if they:
- Unreasonably refuse an offer of suitable alternative employment with the City of London; or
  - Receive an offer of employment from another local authority or organisation included in the Redundancy Payments (Local Government) (Modification) Order 1983 or the Redundancy Payments (Local Government) (Modification) (Amendment) Order 1985 on or before their last day of service and commence employment within four weeks of their last day of service with the City of London. *N.B. In this event, under the Modification Order, statutory continuity of employment will be preserved for the purposes of calculating any future entitlement to redundancy payments that may arise with the new employer.*

### **Suitable alternative employment**

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- 45.** 'Suitable alternative employment' is a legal term for employment on the same or substantially equivalent terms and conditions as those of the old post.
- 46.** Suitable alternative employment will always be offered to 'at risk' employees, where it is available, in the following priority order (as dictated by case law):
- Pregnant women or those on maternity or adoption leave (where an employee is currently on maternity or adoption leave, the alternative post must be held open until their return);
  - Disabled employees, where meeting the duty to make reasonable adjustments;
  - Other employees facing redundancy.

47. Employees are responsible for carefully considering any opportunities put forward to them. Employees are additionally encouraged to identify potential redeployment opportunities for themselves.
48. The procedure for seeking suitable alternative employment for employees at risk of redundancy is set out within the City of London's [Redeployment Policy](#) (Employee Handbook – Section B25).
49. Where redeployment is to a role with terms and conditions which differ (in whole or in part) from the corresponding terms of the employee's previous role, they will have a four week (or longer by mutual agreement, to a maximum of 3 months) trial period in the new role. If, during this time, either the employee or the manager **reasonably** decides that the role is not suitable alternative employment, the original redundancy termination will take place. If the employee, in the opinion of the City of London, unreasonably terminates the contract, they will not be entitled to a redundancy payment.

### **Support available to employees facing redundancy**

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50. All employees who have been served notice of redundancy will be granted reasonable paid time off to look for work, attend interviews and / or to undertake training to improve their job prospects. Suitable times should be discussed with, and agreed by, the individual's line manager, but such requests will not be unreasonably refused.
51. Outplacements services may also be made available to employees under notice of redundancy (as deemed appropriate by, and at the discretion of, the relevant Chief Officer) to assist employees with:
  - understanding and coming to terms with the loss of their job;
  - planning their personal finances;
  - undertaking career re-planning; and
  - carrying out their job search in an effective manner.
52. The City of London's independent [Employee Assistance Programme](#) provider, Employee Advisory Resource (EAR), can additionally be utilised by employees affected by redundancy situations. EAR offers confidential, 24 hour, support on the following free phone number: 0800 243 458.

### **Appeals**

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53. Employees have the right to appeal against their redundancy dismissal.
54. To lodge their appeal employees must write to the Director of HR detailing the grounds for appeal within 10 working days of receipt of the letter advising of the decision.



55. In compiling their written appeal employees should carefully consider the presentation of their grounds. A well structured and detailed submission will assist the employee in the appeal hearing as well as assisting the understanding of the person/s considering the appeal.
56. Appeals against dismissal will be heard by the Staff Appeals Committee. This Committee will be comprised of one Member, one Chief Officer, and one manager of Grade I or above.
57. Grounds for appeal may include, but are not limited to, matters relating to the application of this policy, mitigation or the interpretation of evidence. Grounds for appeal may include new information including witness statements.
58. Employees must appear in person at their appeal hearing unless the Chair of the Staff Appeals Committee agrees otherwise. Employees may choose to be accompanied at their appeal hearing by a trade union representative or work colleague.
59. Appeal hearings will normally be on the basis of the detailed grounds for appeal submitted to the Director of HR. The employee or their representative will present their detailed grounds for appeal first and management will respond to the specific grounds raised.
60. The decision made after the appeal hearing by the Staff Appeal Committee will be final.
61. A more detailed note describing the appeal hearing procedure will be provided to all parties at the point details of the appeal hearing are confirmed in writing.
62. An appeal may be withdrawn by the employee before the hearing. Withdrawal of an appeal must be confirmed in writing to the Director of HR at least two working days in advance of the appeal hearing date (where this has been confirmed).

## **Responsibilities**

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63. Chief Officers (or their nominated representatives) are responsible for ensuring that appropriate consultation is conducted with affected employees and the recognised trade unions in a timely manner, bearing in mind the minimum statutory requirements. In addition, they are responsible for keeping affected employees informed throughout the redundancy process and maintaining a written record of all discussions held.
64. Employees are expected to participate fully (and in a timely manner) in consultations, consider the proposals put forward, contribute their own representations in an open manner, continue to conduct their duties professionally during the redundancy process and engage fully in efforts to minimise their risk of redundancy.



65. HR representatives are responsible for providing procedural support and advice to Chief Officers and/or their nominated representatives throughout the redundancy process.

## **Monitoring**

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66. Corporate HR will monitor the application of the redundancy policy in line with the City of London's commitment to equal opportunities.

## **Further Information**

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67. The City of London's [Redeployment Policy](#) (Employee Handbook – Section B25) contains information on the process that will be followed when seeking suitable alternative employment for employees at risk of redundancy.
68. The [Arrangements for Leaving the City of London Corporation Policy](#) (Employee Handbook – Section B27) contains details of how other final payments and deductions will be handled in the event of an individual's employment with the City of London being terminated.

## **VOLUNTARY REDUNDANCY PROCEDURE**

1. Where the potential need for redundancies is identified, an assessment will be made of the appropriateness (i.e. whether it is strategically and operationally viable) of inviting applications for voluntary redundancy in order to prevent / reduce the need to make compulsory redundancies.
2. Where a decision is made to seek volunteers, individuals will be invited to apply for voluntary redundancy at the time the redundancy situation is generally announced.
3. The opportunity to volunteer for redundancy will be available for a defined period of time (i.e. there will be a closing date for requests), and an application form will be provided to those who wish to be considered.
4. Whilst volunteers will normally only be invited from within the affected department / function / team, at the City of London's absolute discretion, employees in departments / functions / team that are not directly affected may be invited to put themselves forward for voluntary redundancy. Where an application from an employee within another department / function is being considered, however, they will only be accepted if someone facing compulsory redundancy is willing and competent to take on the job that would be vacated.
5. The decision to accept or decline an application for voluntary redundancy will be made at the discretion of management and is final. Such decisions will be based on the City of London's need to retain the types of knowledge and skills that are believed to be essential to meet future business aims, the need to retain a balance of employees with different skills, and the overall situation at the time.
6. HR will, on request, provide provisional, without prejudice, redundancy estimates to employees who are considering applying for voluntary redundancy.
7. Where an employee's application for voluntary redundancy is accepted, the employee will be notified of this in writing as soon as possible after the closing date for applications. Thereafter a meeting will be set up with the employee to discuss and agree the timing of their redundancy and to confirm their entitlement to notice, final payments, benefits and severance payments.
8. Following the meeting, formal notice of redundancy will be issued in writing to the employee, along with written details of their severance payment.
9. Employees who volunteer for redundancy will have their redundancy payment calculated in the same way as employees who are made compulsorily redundant.
10. At the City of London's absolute discretion, additional enhanced termination payments may be offered. Where there is a sound business case for offering enhanced payments, details of the proposed financial terms (i.e. the method of calculation) will be communicated at the time employees are invited to volunteer for redundancy.

REDUNDANCY 'READY RECKONER'

Age	Length of service in full years																			
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
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	

## **DISCRETIONARY ENHANCED TERMINATION / LOSS OF OFFICE PAYMENTS**

### **Introduction**

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1. Under the [Local Government \(Early Termination of Employment\) \(Discretionary Compensation\) Regulations 2006](#) (referred to henceforth as 'the Regulations'), local authorities can, at their absolute discretion, pay employees compensatory discretionary payments in addition to their redundancy payment on termination of employment, or when an individual's employment is terminated in the interests of the efficiency of the service.

### **Discretionary Payments**

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2. Employees must have a minimum of two years' service with the City of London to be eligible for a discretionary payment.
3. Discretionary payments will be calculated on an individual basis and will be subject to the approval of a redundancy panel (made up of the relevant Chief Officer and Corporate HR Director). Discretionary payments for grade I and above will further be subject to the approval of the Establishment Committee, and for grades A – H subject to the approval of the Chairman and Deputy of the Establishment Committee.
4. Any discretionary payments offered will be reasonable and affordable and properly limited to avoid a serious loss of public confidence, as per the City of London's responsibilities under the Regulations. The decision to make a payment, and the level of it, will, therefore, be subject to an assessment of circumstantial factors which may include (but are not limited to):

- The financial implications for the City of London;
- The extent to which the redundancy contributes to the better performance and/or the efficiency of the City of London;

And, in the case of compulsory redundancies:

- The performance of the employee (where this can be measured);
  - The attendance record of the employee (absences due to disability or pregnancy will be disregarded);
  - The extent to which the employee has sought, by their actions, to avoid redundancy (i.e. through actively participating in the redeployment process);
  - The extent to which the employee (in relation to their level of employment) has contributed to the City of London;
  - The likelihood of the employee being able to seek future employment or maintain their career prospects.
5. Any such payment offered will be non-negotiable as it is entirely discretionary.



6. Discretionary payments will be subject to the employee signing a compromise agreement, waiving their rights to pursue an Employment Tribunal claim against the City of London Corporation. If an employee chooses not to sign a compromise agreement they will not be eligible to receive a discretionary payment.
7. Where a discretionary payment is offered to an employee who is a member of the City of London's Pension Scheme, the employee may choose to use the sum offered, in its entirety, to purchase added years in the scheme (up to a maximum of  $6\frac{2}{3}$  years) which the employee will benefit from immediately if they are over 50 (over 55 from April 2010), or at their normal retirement age if below this age at their date of termination.

### **Monitoring**

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8. Corporate HR will provide periodic information to Establishment Committee on discretionary payments, and monitor their application to ensure, where offered, they are set at a proportionate and justifiable level.