



# **MANAGEMENT OF ORGANISATIONAL CHANGE, REDUDANCY AND PAY PROTECTION**

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## **SECTION A – POLICY**

### **1. Policy Statement, Aims and Objectives**

- 1.1. NHS Doncaster Clinical Commissioning Group (CCG) aims to provide a stable work environment and reasonable security of employment for its employees. The NHS has undergone significant change and further change will occur. The CCG needs to ensure that its functions are carried out effectively and efficiently and that it is able to adapt to new ways of working which support the integration of health and social care and collaboration with local health economies and can achieve this within management costs. It is therefore likely that circumstances will arise from time to time that will result in organisational change, whether this is a slight change or a fundamental restructuring of services. The CCG is committed to minimising the impact of change on employees and reducing the necessity for redundancy, redeployment and pay protection.
- 1.2. This policy establishes the principles to be applied in the management of organisational change processes including redundancy and other severance arrangements. The policy will therefore cover:
  - Managing Structural Change
  - Redundancy Criteria and a Mutually Agreed Resignation Scheme
  - Redeployment Process
  - Pay Protection Arrangements
- 1.3. The development of this policy:
  - Ensures change is managed in a planned, transparent, equitable and consistent manner
  - Ensures consultation with employees and Trade Unions is undertaken in a timely and meaningful way
  - Provides a framework to support the management of organisational change, including redundancy/voluntary resignation processes
  - Ensures all reasonable steps are taken to reduce the need for compulsory redundancy
  - Enables transparent management of mutually agreed resignation schemes/redundancy schemes
  - Satisfies legislative requirements.

### **2. Legislation and Guidance**

- 2.1. The following legislation and guidance has been taken into consideration in the development of this procedural document.
  - NHS Terms and Conditions of Service Handbook
  - Employment Rights Act 1996
  - Equality Act 2010
  - Transfer of Undertaking (Protection of Employment) Regulations 2006

- Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002

### 3. Scope

3.1 This policy applies to those members of staff that are directly employed by NHS Doncaster CCG and for whom NHS Doncaster CCG has legal responsibility. For those staff covered by a letter of authority / honorary contract or work experience this policy is also applicable whilst undertaking duties on behalf of NHS Doncaster CCG or working on NHS Doncaster CCG premises and forms part of their arrangements with NHS Doncaster CCG. As part of good employment practice, agency workers are also required to abide by NHS Doncaster CCG policies and procedures, as appropriate, to ensure their health, safety and welfare whilst undertaking work for NHS Doncaster CCG.

### 4. Accountabilities and Responsibilities

4.1 Overall accountability for the management of organisational change and redundancy lies with the Chief Officer. The Chief Officer will be responsible for ensuring that the policy and procedure in place adheres to legislation and enables effective change management. Responsibility is delegated to the following:

<p><b><i>Associate Director of HR &amp; Corporate Services</i></b></p>	<p>Has delegated responsibility for:</p> <ul style="list-style-type: none"> <li>• Maintaining an overview of the corporate ratification and governance process associated with the policy.</li> <li>• Leading the development, implementation and review of the policy.</li> <li>• Ensuring the policy is fair and transparent and is applied consistently and equitably.</li> <li>• Ensuring that managers engage with the principles of this policy during periods of organisational change.</li> <li>• Ensuring there is a process in place to monitor the effectiveness of this policy and procedure to minimise risk to the CCG.</li> <li>• Ensuring appropriate vacancy controls processes are in place</li> <li>• Leading the consultation process with employees and Trade Union Representatives</li> <li>• Providing advice to managers and staff in relation to the policy.</li> <li>• Managing the at risk register.</li> </ul>
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<b>Staff</b>	<p>Have delegated authority for:</p> <ul style="list-style-type: none"> <li>• Understanding the procedures for the filling of any vacancies</li> <li>• Ensuring agency or consultancy staff are not engaged without approval by the Senior Management Team</li> </ul>
<b>Staff Side</b>	<p>Have delegated responsibility for:</p> <ul style="list-style-type: none"> <li>• Ensuring the views of their members are conveyed.</li> <li>• Ensuring on behalf of their members that this policy and procedure is adhered to, ensuring all practices are equitable, transparent and consistently applied.</li> <li>• Fully cooperating in communication regarding organisational change including redundancy.</li> </ul>

## **5. Dissemination, Training and Review**

### **5.1. Dissemination**

5.1.1. The effective implementation of this procedural document will support openness and transparency. NHS Doncaster CCG will:

- Ensure all staff and stakeholders have access to a copy of this procedural document via the organisation's website.
- Ensure that team briefs raise awareness of organisational change and the implications of it.

5.1.2. This procedural document is located in the Employment Policy Manual. A set of hard copy Procedural Document Manuals are held by the Governance Team for business continuity purposes and all procedural documents are available via the organisation's website. Staff are notified by email of new or updated procedural documents.

### **5.2. Training**

5.2.1. All staff will be offered relevant training commensurate with their duties and responsibilities. Staff requiring support should speak to their line manager in the first instance. Support may also be obtained through their HR Department. This policy should be read in conjunction with the Recruitment and Selection Policy which outlines the vacancy control procedure.

### **5.3. Review**

5.3.1. As part of its development, this procedural document and its impact on staff, patients and the public has been reviewed in line with NHS Doncaster CCG's

Equality Duties. The purpose of the assessment is to identify and if possible remove any disproportionate adverse impact on employees, patients and the public on the grounds of the protected characteristics under the Equality Act.

5.3.2. The procedural document will be reviewed every three years, and in accordance with the following on an as and when required basis:

- Legislatives changes
- Good practice guidelines
- Case Law
- Significant incidents reported
- New vulnerabilities identified
- Changes to organisational infrastructure
- Changes in practice
- Changes to National Terms and Conditions of Service

5.3.3. Procedural document management will be performance monitored to ensure that procedural documents are in-date and relevant to the core business of the CCG. The results will be published in the regular Governance Reports.

## **SECTION B – PROCEDURE**

### **1. Managing Structural Change**

1.1. Where there is an organisational requirement to restructure and the impact of this will be a reduction in the numbers of staff employed, the following should be considered:

- Proposals from employees for voluntary reduction in hours of work, career breaks and unpaid leave
- Voluntary Early Retirement/normal retirement
- Management of secondments and acting up arrangements
- Opportunities for retraining
- Mutually agreed resignation schemes
- Review of current and future functions to establish skill mix and staff levels required
- Ring fencing of recruitment
- Cessation of external recruitment
- Review of work undertaken by external consultants, contractors and agencies
- Redeployment of staff within the CCG
- Review of temporary and fixed term contracts

1.2. During periods of organisational change support arrangements should be put in place for staff, at varying intervals to assist those employees most affected by the changes. These may include:

- Staff Counselling
- Career Coaching
- Stress Management Training
- Interview Skills Training
- Options considered for secondments and personal development opportunities
- Increased communication from Senior Managers

Where redundancies are to be considered the support of Job Centre Plus, financial advice and pension's advice will be sourced/signposted as applicable to the specific situation.

### **2. Principles of Managing Organisational Structural Changes**

2.1. As organisational changes are proposed, the CCG will identify the number and content of posts required for the new arrangements and will identify the current number and content of existing substantive posts. This information will be shared with the relevant staff side organisations as part of the consultation process. This will inevitably lead to situations where changes in staffing levels/roles are required.

2.2. Where an organisational change to the number of posts within a department or the whole organisation results in either a reduction in the number of posts available or the banding of posts is altered the following steps should be followed.

**a) Comparison of Roles**

Comparisons between the new and existing posts need to be made to determine those eligible to be considered for 'slotting in' or 'ring fenced' competition and to determine whether pay protection arrangements will apply. This will be determined by the Chief Officer in conjunction with Human Resources.

**b) Slotting In**

Slotting in will apply using the following criteria and where none of the criteria of ring fenced competition are met. To establish the comparison of one post to another the following will apply:

- The new role contains 50% or more of the knowledge, skills and experience of an individual within the existing CCG structure **and**
- The job banding remains the same **and**
- The post holder is the only person identified for the new post and holds a substantive contract of employment **and**
- The employee already has the minimum qualifications and experience required for the new post.

**c) Ring Fenced Competition**

Ring fenced competition will normally apply where either:

- The post is clearly new in content and/or carries a substantially increased weight of responsibility/skills, **and/or**
- There is more than one employee who is considered suitable for the post, **and/or**
- The direct transfer of an individual employee would involve a promotion/demotion unless this is the only post which may be deemed to be suitable alternative employment.

For purposes of pay protection only, demotion is defined as transfer to a post which carries a lower hourly rate of pay than that which applies to the previous post held. Promotion is defined as transfer to a post which carries a higher hourly rate of pay than that which applies to the previous post held.

Where national frameworks apply for the appointment of specific posts the above will not apply.

**d) Ring Fenced Parameters**

Competition for any new post shall be confined to employees in the ring fenced group who are the equivalent band or who are one band lower or higher than the existing post. All employees must hold a substantive contract of employment in order to be eligible to complete in the ring fenced recruitment process.

A drop of two bands is permissible if there are no posts of the next band down in the new structure. However, for bands 8d and 8c a drop to bands 8b and 8a would be considered and for bands 8b and 8a a drop to bands 7 or 6 would be considered.

Agreed slotting in and ring fenced proposals shall be confirmed in writing to the affected employee(s) and at least two weeks' notice of the ring fenced competition process will be given.

If following the above process the post remains unfilled, it may at this stage be offered to other NHS employees who are at risk of organisational change if the CCG is participating in any local/regional clearing house schemes. Should this not be the case the post should be advertised externally.

For the avoidance of doubt, this process does not include an appeal stage. If an employee wishes to make a complaint regarding the process followed they have recourse through the Grievance Policy.

### **3. Mutually Agreed Resignation Scheme (MARS)**

- 3.1. MARS is contained within the Agenda for Change Terms and Conditions of Service and is a scheme which enables employees to apply to resign from their post in return for a severance payment. MARS is completely voluntary on behalf of the employee and the severance payment is calculated based upon the length of continuous NHS service of the employee.
- 3.2. From an organisational perspective the advantage of MARS is the retention of the post from which the employee has resigned. The scheme is designed to create job vacancies which can be filled by redeployment of staff from other jobs or as suitable alternative employment for those at risk of redundancy. The scheme can be used to respond rapidly to change, service redesign, workforce reductions and reductions in management overheads.
- 3.3. The principles of the scheme are contained in Appendix 1. Employees will be advised under separate cover should the scheme be implemented within the CCG.

### **4. Redundancy**

- 4.1. To assist in the delivery of necessary change and achieve efficiencies both voluntary and compulsory redundancy schemes may be required. Employees may be subject to redundancy proceedings if any of the following apply in accordance with the Employment Act definitions as described:

- NHS Doncaster CCG has ceased, or intends to cease, to carry on the business for the purposes of which the employee was so employed;
  - NHS Doncaster CCG has ceased, or intends to cease, to carry on the business in the place where the employee was so employed;
  - The requirements of NHS Doncaster CCG for employees to carry out work of a particular kind has ceased or diminished or are expected to cease or diminish;
  - The requirements of NHS Doncaster CCG for the employees to carry out work of a particular kind, in the place where they were so employed, has ceased or diminished or are expected to cease or diminish.
- 4.2. Redundancy entitles an employee to a package in accordance with Agenda for Change terms and conditions of service or for a voluntary redundancy scheme as determined explicitly by the CCG if different.
- 4.3. Employees whose applications are approved will leave the CCG's employment on the grounds of redundancy, which in effect is a dismissal from the organisation. In developing such a scheme the CCG will need to include relevant criteria which would include taking account of relevant factors such as service/skill need, promotion of efficiencies and cost saving.
- 4.4. To be eligible to apply for redundancy an employee must satisfy the following criteria:
- The employee must be an employee working under a contract of employment with the CCG
  - The employee must have at least 104 weeks continuous full or part time NHS service (as defined in accordance with section 16.4 of the NHS Terms and Conditions of Service)
  - The employee must not have already given notice of resignation or retirement or been provided with notice of termination of employment with the CCG for any other reason at the date of their application
- 4.5. If an employee's employment is terminated for any reason other than redundancy between the date of application and the agreed resignation date they will lose any entitlement to payment under the scheme.
- 4.6. Where the employee's application under a scheme is successful they will receive a redundancy payment calculated in accordance with section 16 of the NHS Terms and Conditions of Service. In summary the employee whose application is approved will be entitled to one of the following options depending on their age and memberships of the NHS pension scheme:
- Payment of a lump sum based on one month's pay for every complete year of reckonable service up to a maximum of 24 months' pay.

Or

- Employees who are members of the NHS pension scheme, have at least 2 years qualifying membership and who meet the minimum age requirements as set out in section 16.10 of the NHS Terms and Conditions of Service, may apply to retire early without a reduction in the payment of pension benefits.

4.7. The above is intended to summary of the entitlements and payments under section 16 of the NHS Terms and Conditions of Service. As part of launching a voluntary redundancy scheme, Human Resources will provide an employee with an estimate of entitlements in advance of the employee making a decision to apply.

4.8. Each specific redundancy scheme will cover four stages as follows:

- Stage 1 – Consultation
- Stage 2 – Details of the scheme and timescales
- Stage 3 – Eligibility criteria and decision making
- Stage 4 – Appeal against dismissal

4.9. The principles of each stage will be covered in detail and for the purposes of clarity each scheme run by the CCG will have a timescale included. The timescales will be amended for each specific scheme.

## **5. Compulsory Redundancy and Consultation**

5.1. Where redundancy options outlined in the above paragraphs have been exhausted and there remains a gap in order to meet cost efficiencies or there are more employees in the pool than posts available, compulsory redundancy procedures will have to be considered in order to achieve the required reductions in staffing levels.

5.2. The CCG recognises the national stance of all Trade Unions and Professional Organisations regarding not to agree to compulsory redundancies. The CCG will therefore arrange a meeting at the earliest opportunity with employee and Trade Union Representatives to consult on the requirement to apply compulsory redundancies and the arrangements for managing the process, including the selection criteria. The CCG will consider and respond to any issues raised by the Representative and where it is decided not to accept a suggestion, the reasons for this will be formally noted. This will include an acknowledgement of the National Trade Unions' position.

- 5.3. Consultation and notification of the proposed redundancies with recognised Trade Unions/Professional Organisations will begin at the earliest opportunity and as soon as redundancy becomes a real probability and before any plans have been finalised. Consultation will begin at least 90 days before the first dismissals take effect, where there is a proposal to dismiss 20 or more employees on the grounds of redundancy. Where there are less than 20 proposed redundancies there is no legal requirement for collective consultation, however in the interest of good industrial relations, consultation with affected employees and recognised Trade Union Representatives will take place.
- 5.4. For the purposes of consultation the CCG will disclose in writing to the relevant Trade Union the following:
- The reasons for the proposals.
  - The number and descriptions of employees whose posts are at risk of being made redundant.
  - The total number of employees of any such description employed by the CCG.
  - The proposed selection criteria to be used to select employees who may be dismissed.
  - The proposed method of carrying out the dismissals, with due regard to any agreed procedure, including the period over which the dismissals are to take effect, and the method of calculating the amount of any redundancy payments to be made.
- 5.5. Where redundancies are not proposed as a wider scheme, individual members of staff/groups of affected staff will need to be consulted with at the earliest opportunity. All affected employees will be invited, in writing, to a meeting convened by their Chief of Service. Human Resources will be in attendance and recognised Trade Union representatives will be invited to attend.
- 5.6. The purpose of the meeting will be to inform employees of the proposed organisational change and staffing changes and to provide employees and Trade Union representatives with an opportunity to explore with management any ways of avoiding redundancies, reducing the number of redundancies and minimising the consequences of redundancies.
- 5.7. The CCG will consider and respond to any suggestions made and will provide full reasons where the CCG does not accept the suggestions.

- 5.8. Subsequent meetings may be required with Trade Union Representatives to try and reach an agreement on relevant issues, if possible. If agreement is not possible then this will be formally noted. Once all issues have been fully considered consultation will be concluded.
- 5.9. The affected employees should then be told that if the proposed staffing changes are implemented and not measures can be found to avoid redundancies then their post will be placed at risk of redundancy. At this stage employees will be placed on the at risk register. Employees will be invited to a meeting to complete the redeployment form and to discuss any redeployment options available. Employees will also be given the opportunity to register their interest in voluntary redundancy.
- 5.10. During the consultation period all affected employees will be kept informed of the process including employees, who are currently away from the workplace, i.e. those on long term sick leave, maternity/adoption leave, career break or secondment. In the first instance this will be done by inviting employees to the meeting with the Chief of Service but if they are unable to attend the CCG will ensure they are not disadvantaged.

## **6. Redeployment Process**

- 6.1. Redeployment opportunities should be investigated within organisational change circumstances where the substantive role is either no longer available due to restructuring or because the employee has been unsuccessful in appointment to a new role under ring fenced competition. However the following principles for redeployment will also be followed for those employees who can no longer perform their duties due to ill health, or where it is deemed to be unsuitable for them for managerial/personal reasons. In either of the above circumstances the employees will be declared at risk and placed on the redeployment register.
- 6.2. Human Resources will be responsible for the management and communication of the redeployment process which will include:
- Communication with the employee
  - Establishment of an account on NHS Jobs which provides access to restricted vacancies
  - Notification of posts which become available outside of NHS Jobs as notified to the CCG
  - Liaison between the line manager and employee regarding process
  - Liaison with Human Resources departments from other NHS organisations regarding access to vacancies

- Identification of training and personal development requirements to support redeployment
- 6.3. Where an employee has been identified as at risk the line manager and Human Resources will meet with the employee. The employee will be given the opportunity to be accompanied at the meeting by a Trade Union Representative or work colleague.
- 6.4. Following this initial meeting the employee will be issued with a formal letter to confirm their at risk status and will be sent a copy of the application form for redeployment. The details from the form will be used to inform the at risk register and NHS Jobs of the employees details for the purposes of identification of suitable alternative employment.
- 6.5. Human Resources will maintain redeployment, or at risk register. The purpose of the register is to act as a central record of all staff placed at risk. At risk staff will also be recorded on the NHS Jobs website which will enable them to apply for posts that are identified for ring fenced competition (restricted posts).
- 6.6. The at risk register will contain details of the employees preferred options in terms of posts, band, hours, location and detail the knowledge and skills held by the employee. This record will be cross checked on a weekly basis against current vacancies to identify suitable alternative employment by Human Resources. During the redeployment process issues such as personal circumstances, location, travelling time and potential re-training issues will be taken into account.
- 6.7. Employees will be placed on the at risk register for a period of three months. Once an employee has secured employment they will be removed from the at risk register. Where an employee remains on the register after the three months period they will be dismissed from their employment on the grounds of redundancy or some other substantial reason.
- 6.8. Where large numbers of staff are subject to redundancy or severance proposals a period of more than three months on redeployment may be considered. The maximum period of time will be six months.

## **7. Obligations of At Risk Employees**

- 7.1. Employees who are identified as at risk for the reasons outlined within this policy are required to make every effort to apply for suitable posts as they are advertised. Employees should give serious consideration to all opportunities to seek suitable alternative employment as failure to do so may prejudice their right to redundancy.

7.2. The employee will be required to:

- Establish and account with NHS Jobs with support from Human Resources
- Ensure that they access and respond to the 'restricted' section of NHS Jobs
- Discuss with their line manager/Human Resources posts which come available and provide clear evidence to their line manager/Human Resources as to why they do not consider the vacancy to provide possible suitable employment and as such do not intend to apply for the post.

7.3. This obligation extends to making all reasonable effort to attend and perform to the best of the employee's ability at any preferential interview. Where evidence exists to suggest that this has not been the case this may jeopardise an employee's right to redundancy.

## **8. Suitable Alternative Employment**

8.1. Suitable alternative employment will be employment that is deemed to provide a reasonable alternative to the employee's original employment in terms of pay band, hours and terms and conditions of employment. The alternative post must be within the employees capability/level of qualifications and experience and must not cause the employee unreasonable inconvenience. Employees will, however, be expected to show some flexibility. On the basis that the above criteria are met the alternative post offered may be of the same pay band or as established under paragraph 2.2(d).

8.2. Human Resources will ensure that employees on the at risk register are aware of suitable alternative employment and are given a reasonable amount of time to consider it. They will be made aware of the following details in relation to the alternative post:

- Band
- Pay and Protection of Pay (where applicable)
- Job content
- Location
- Hours of work
- Base

8.3. Should an employee fail to make an application for the post they will be deemed to have refused suitable alternative employment. The implication for

employees who unreasonably refuse suitable alternative employment will be the loss of their entitlement to redundancy pay.

- 8.4.
- 8.5. Employees on the at risk register will be entitled to reasonable paid time off to search for alternative employment where they have at least six months of NHS service.
- 8.6. The employee will be entitled to a minimum four week trial period in the alternative post which may be extended to cover training requirements for the post. This will be confirmed in writing prior to the trial starting and will specify the length of the trial period. Regular informal reviews must be undertaken throughout the trial period.
- 8.7. In the event that the employee decides that they do not want to accept the post offer during the trial period they must inform their line manager, in writing, before the end of the trial period. The line manager, in conjunction with Human Resources, and based on all the available information, will make a decision on whether the job offer was reasonable, suitable alternative employment.
- 8.8. In the event that the 'new' line manager does not want to offer the post on a substantive basis following the trial period this must be discussed with Human Resources prior to any further action being taken.

## **9. Short Term Pay Protection**

- 9.1. Short term protection applies when organisational change has resulted in a reduction of total earnings, for example loss of enhancements, reduction of working hours within the standard week. It covers basic salary plus additional earnings for a substantive post. Basic salary is defined as the monthly sum due in respect of basic hours worked by the employee. Payments for acting up for temporarily extended duties are not included. Short term protection is offered on a marked time basis in accordance with the following table.

<b>Continuous NHS Service</b>	<b>Protection Period</b>
Up to 5 years	6 months
5 years and over	12 months

- 9.2. If during the pay protection period the earnings in the new post exceed the protected earnings the pay protection will cease.

## **10. Long Term Pay Protection**

10.1. Long term protection will be applicable when an employee is redeployed to a post of a lower band as a result of organisational change. The employee will be entitled to full protection of salary on a marked time basis for the period of time they are entitled to in accordance with table below. During the pay protection period the employees salary will be frozen and as such the employee will not receive any further incremental increases or cost of living increases.. If during the pay protection period the salary of the lower banded post 'catches up' with the protected salary due to cost of living pay uplifts the employee will be transferred to that salary and as such the period of pay protection will cease. Long term protection is offered in accordance with the following table.

<b>Continuous NHS Service</b>	<b>Protection Period</b>
0 – 18 months	12 months
19 – 36 months	18 months
36 months and over	36 months

After the period of pay protection the employee will be placed on the relevant salary point of the lower band which is dependent upon their position on the higher band. The employee is then re-eligible to receive any pay increments and cost of living uplifts.

10.2. The pay protection will cease should any of the following apply:

- The employee is appointed to a post within the CCG in which the normal basic salary is equal to or exceeds the protected basic wage
- The employee moves on their own application to a post within the CCG of a lower band
- The employee resigns or retires from employment with the CCG

10.4. During the period of pay protection the pension contributions of the employee (where applicable) are also protected. Prior to the period of pay protection the employee should contact the Pensions Agency to obtain form SM R9 which must be completed and submitted as soon as reasonably practicable.

## **11. Excess Travel**

11.1 Where an employee's base point is changed as a result of organisational change and where excess travel is incurred by the employee, this will be reimbursed by the CCG. Employees are entitled to excess mileage claims at the rate detailed in Annex L of the NHS Terms and Conditions of Service for a period of up to four years provided that:

- The employee does not take up another post voluntarily
- The employee does not move home address which is nearer to the new base point and therefore excess mileage is reduced
- The employee does not turn down an offer of suitable alternative employment unreasonably which would result in a reduction of excess mileage

## **12. Fixed Term Contracts**

12.1. Fixed term contracts of employment by their nature should be for a specific period of time and are normally used to cover a specific, time limited remit/project work or to provide cover arrangements during periods of absence.

12.2. Under the Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 employees under a fixed term contract have the right not to be treated less favourably than comparable permanent employees, unless that treatment can be justified.

## **MUTUALLY AGREED RESIGNATION SCHEME**

### **1.0 Introduction**

- 1.1. A Mutually Agreed Resignation Scheme (MARS) is a scheme under which an individual employee, in agreement with their employer, chooses to leave employment in return for a severance payment. A mutually agreed resignation (MAR) scheme is not a redundancy or a voluntary redundancy. The MAR scheme is part of the Agenda for Change terms and conditions of service, Section 20. However, because the scheme involves extra-contractual payments such a scheme normally requires HM Treasury (HMT) approval.
- 1.2. The national MAR scheme has been developed in partnership with the Social partnership forum to support NHS organisations during times of rapid change, service redesign, workforce reductions and reductions in management costs.

### **2.0 Scope**

- 2.1. The scope of any MAR scheme must be clearly identified but is aimed primarily at CCG employees to assist in the reduction of managerial overheads.

### **3.0 Local Consultation**

- 3.1. Whilst the national scheme has been developed in partnership with the Social Partnership Forum (SPF) and is based on the MARS principles outlined in Section 20 of Agenda for Change, it is expected that individual employers will consult with their local staff side representatives in the implementation of the policy, including discussion regarding eligibility of staff for the scheme and any circumstances which NHS Doncaster CCG may wish to implement locally.

### **4.0 Eligibility**

- 4.1 The scheme by its very nature is voluntary and staff within the scope outlined in paragraph 2.0 will be eligible to apply.
- 4.2 The scheme will be open to eligible staff whether their contract is permanent, fixed term or temporary, full time or part time, provided the employee has at least 1 year's continuous NHS service as at the date the scheme is launched.
- 4.3 Each application for a MAR will be assessed on its own merit and must demonstrate that the departure of an employee on voluntary grounds is in the financial and operational interests. A business case for each application must be submitted using the form attached. The CCG reserves the right to

determine whether or not an application will be approved and there is no right of appeal on the behalf of the employee if their application is unsuccessful. See Section 10 for further information.

- 4.4 The CCG will not be able to consider an application for a MAR payment where an employee currently occupies a post which has already been identified as the subject of a compulsory redundancy situation, i.e. the need for the post has or will cease in the very near future.
- 4.5 Where an employee falls into any of the following categories, they **will not** be eligible to leave or apply under the MAR Scheme.
- where the employee has already given formal notice of their intention to resign/retire, prior to the date when applications are being sought;
  - where the employee has already secured employment with another employer
  - where the employee has already been notified of the date of the termination of their contract of employment for any other reason
  - where the employee is in breach of or failing to meet an agreed action plan to address poor performance, in accordance with the CCG's policies regarding poor performance or subject to current disciplinary proceedings.
  - where the employee is undergoing a conduct procedure
  - where the employee is currently in a selection pool identifying them for potential redundancy
- 4.6 The MARS will be time limited and will have a closing date for applications. Applications received after this date will not be considered. Dates will be provided on the launch of the scheme.
- 4.7 The termination date will be mutually agreed.

## **5.0 Re-employment**

- 5.1 Employees who leave the NHS under MARS would not be re-employed under normal circumstances by the same employer, in the same or a different post, before a period of time has elapsed.
- 5.2 An employee, who secures another job within the NHS within a short period of time may be required to repay a proportion of their compensation to the employer that made the payment.
- 5.3 Specific requirements regarding repayment of compensation will be determined in the event of the scheme being implemented and will be clearly stated in the compromise agreement issued to the employee.

## 6.0 Compromise Agreement

6.1 Employees who are approved to leave the organisation under this Scheme will be issued with a Compromise Agreement to sign, which will set out the financial and other terms under which the employment relationship with the CCG will end and what re payment requirement will apply in the case of reemployment in the NHS.

6.2 The employee will need to seek independent legal advice prior to signing the Compromise Agreement. The CCG will meet reasonable costs of this legal advice upon receipt of a relevant invoice.

## 7.0 Payment rate

7.1 MARS payments will be calculated using the model below. As the terms and conditions are updated the following table will reflect any changes.

<b>Reckonable Service (complete years)</b>	<b>Scale of Payment</b>
1 year's continuous NHS service	3 months' basic salary
2 year's continuous NHS service	3 months' basic salary
3 year's continuous NHS service	3 months' basic salary
4 year's continuous NHS service	3 months' basic salary
5 year's continuous NHS service	3 months' basic salary
6 year's continuous NHS service	3 months' basic salary
7 year's continuous NHS service	3½ months' basic salary
8 year's continuous NHS service	4 months' basic salary
9 year's continuous NHS service	4½ months' basic salary
10 year's continuous NHS service	5 months' basic salary
11 year's continuous NHS service	5½ months' basic salary
12 year's continuous NHS service	6 months' basic salary
13 year's continuous NHS service	6½ months' basic salary
14 year's continuous NHS service	7 months' basic salary
15 year's continuous NHS service	7½ months' basic salary

16 year's continuous NHS service	8 months' basic salary
17 year's continuous NHS service	8½ months' basic salary
18 year's continuous NHS service	9 months' basic salary
19 year's continuous NHS service	9½ months' basic salary
20 year's continuous NHS service	10 months' basic salary
21 year's continuous NHS service	10½ months' basic salary
22 year's continuous NHS service	11 months' basic salary
23 year's continuous NHS service	11½ months' basic salary
24 year's continuous NHS	12 months' basic salary

Basic pay is the employee's gross basic salary without enhancements (e.g. on call/unsocial hour's payments) and will be based on the number of contracted hours worked. See Section 8 regarding definitions of continuous service.

## **8.0 Reckonable Service**

- 8.1 Reckonable service means continuous service full or part time employment with the present or any previous NHS employer where there has been a break of service of less than 12 months, as at the time of leaving. Employment that has previously been taken account of for the purposes of a previous redundancy or loss of payment by an NHS employer will not count as reckonable service.
- 8.2 For the purposes of MARS, the CCG will not take into account any period of employment outside of the NHS. The continuous/ reckonable service date will be that which can be verified via ESR/ Pensions data.
- 8.3 Any severance payment made will be offset against any subsequent payment made for the purposes of any future calculation of redundancy payments in subsequent NHS employment. This applies where the period of employment covered by the severance payment is taken into account in calculating the redundancy payment.
- 8.4 The severance payment is subject to the employee not having secured another job in the NHS at the time of leaving and employees will be required to give warranty of this via the compromise agreement.

- 8.5 An employee accepting a MARS severance payment and resigning from the CCG may find alternative employment elsewhere in the NHS subject to the conditions set out in section 5. In the event that any future NHS employer intends to make the employee redundant, the employer will be notified of any MARS severance payment made.
- 8.6 The employees proposed leaving date will be subject to negotiation and mutual agreement between the CCG and the employee. However, the latest date an employee can leave the employment of the CCG will normally be within 3 months of the resignation being formally approved.

## **9.0 Pensions**

- 9.1 Employees whose application under MARS is accepted, and who have reached their 'normal pensionable retirement age', will also be eligible to claim their NHS pension benefits. For members of the 1995 Section of the NHS Pension Scheme, normal pension age is 60 (55 for members with special class status). For members of the 2008 section of the NHS Pension Scheme, normal pension age is 65.
- 9.2 Employees whose application under MARS is accepted and who have reached their minimum pensionable age, may also wish to apply for Voluntary Early Retirement with reduced pension benefits. For members of the 1995 Section of the NHS Pension Scheme, minimum pension age is 50 for most but 55 for some members who first joined or returned to the Scheme on or after 6 April 2006. For members of the 2008 Section of the NHS Pension Scheme, minimum pension age is 55.
- 9.3 Applications for pension benefits must be made in the normal manner and payment of such benefits is not guaranteed to coincide with the date of resignation.
- 9.4 The CCG will not agree to make up payments lost as a result of a reduction in benefits due to resignation under the MAR Scheme.

## **10.0 Application Procedure**

- 10.1 Employees who wish to apply for MARS should discuss their case with their Chief of Service in the first instance. Informal discussions will be confidential and not make a binding commitment on either party. Human Resources will be available to provide information on the scheme. The Staff Side will be available to accompany any staff to meetings where this is requested. Where the employee wishes to pursue an application for MAR, Chiefs of Service will be required to indicate their support or otherwise on the application form (Appendix 1) outlining the potential financial savings and payback time along with reassurance as to how the business needs of the organisation will continue to be met.

- 10.2 Human Resources will write to any staff on maternity/paternity/adoption leave, sickness absence or a career break to notify them of the MARS and advise on how to pursue an application should the employee wish to do so.
- 10.3 Employees should submit their completed application form for MARS by the closing date to Human Resources. The application form will be acknowledged within 5 working days, the information will be verified and the potential MARS payment will be calculated. All applications will be dealt with in strict confidence. A closing date will be specified. At this stage the application will be treated as an expression of interest.
- 10.4 Applications will be considered by the Remuneration Committee.
- 10.5 Following consideration by the Remuneration Committee, where an application is approved, Human Resources will write to the employee within 5 working days of the decision to confirm that their application has been approved, the MARS payment due and the mutually agreed leaving date. The employee will be requested to accept or reject the offer within 5 working days of receipt of the letter. A copy of a draft compromise agreement will also be shared at this stage. The employee may wish to seek legal advice at this stage prior to signing the compromise agreement. If the offer is accepted the CCG will consider that the employee has agreed to resign and would want to be assured that legal fees to support the conclusion of the agreement are not incurred unnecessarily.
- 10.6 Where the employee wishes to pursue the severance payment without seeking legal advice the compromise agreement will be signed within a further 5 working days and the resignation date will be confirmed.
- 10.7 Once the compromise agreement is signed the acceptance of MARS is binding on both parties.
- 10.8 Where an application is rejected, Human Resources will write to the employee advising them of the outcome and outlining the reasons for this within 5 working days of the panel decision.

#### **11.0 Issues for Staff to Consider**

- 11.1. When considering an application for the voluntary MAR Scheme, employees will need to understand the consequences of their decision to leave employment under the Scheme. Some of the implications for employees to consider may include, for example:
- the possible loss of entitlements to welfare benefits
  - mortgage protection insurance policies not covering resignations
  - any possible impact on pensions
  - credit agreements and credit protection insurance policies
  - salary sacrifice schemes

11.2 Employees are encouraged to seek independent financial advice and the following websites may be of assistance for more general guidance:

- NHS Pensions: [www.nhsba.nhs.uk/pensions](http://www.nhsba.nhs.uk/pensions)
- Benefits Website: [www.direct.gov.uk/en/MoneyTaxAndBenefits/index.htm](http://www.direct.gov.uk/en/MoneyTaxAndBenefits/index.htm)
- Citizens Advice Bureau: <http://www.adviceguide.org.uk>
- IFA Promotion: [www.unbiased.co.uk](http://www.unbiased.co.uk)
- The Personal Finance Society: [www.thepfc.org](http://www.thepfc.org)
- Money made clear: [www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)

## VOLUNTARY REDUNDANCY SCHEME

### 1.0 INTRODUCTION

1.1. The Voluntary Redundancy Scheme entitles employees who are invited to do so to apply for a voluntary redundancy package (details of which are set out below) and employees whose applications are approved will leave the CCG's employment on the grounds of voluntary redundancy. Those categories of employee who will be invited to apply for the Scheme will be assessed by the CCG taking account of relevant factors including; service need, promotion of efficiencies and cost savings.

### 2.0 TIMESCALES

ACTION TO BE TAKEN	START DATE	CLOSING DATE
<b>Commence consultation process with Staff Side</b>		
<b>Launch Voluntary Redundancy Scheme (VR Scheme)</b>		
<b>Expressions of Interest Submitted to HR to request a quote</b>		
<b>Quotes processed</b>	It is likely to take up to 15 working days to process a quote so staff should expect to receive their quote before XXX	
<b>Application for Voluntary Redundancy to be submitted to HR</b>	Once an applicant has received their quote and wish to progress with an application for voluntary redundancy <b>this must be submitted before 5pm ON xxx</b>	
<b>Remuneration Committee meet to assess and approve/decline applications</b>		
<b>Confirmation of</b>		

<b>leaving dates</b>	
<b>Employees leave organisation</b>	

### 3. ELIGIBILITY

3.1. To be eligible to apply for voluntary redundancy under the Scheme, an employee must satisfy the following criteria:-

- the employee must be an employee working under a contract of employment with the CCG;
- the employee must have been invited to apply **for the scheme by Human Resources and have been invited in writing**
- the employee must have at least 104 weeks continuous full time or part time NHS service (defined in accordance with section 16.4 of the NHS terms and conditions of service handbook (“Agenda for Change”)); as at the date of application
- the employee must not already have formally given notice of resignation or retirement or been provided with notice of termination of employment by the CCG for any other reason at the date of their application under the Scheme. In addition if the employee’s employment is terminated for any reason (other than under the Scheme) prior to the end of their employment (as approved under the Scheme) the employee will lose any entitlement to payment under the Scheme.

3.2. An eligible employee may apply for a quote for voluntary redundancy under the Scheme using the form attached at Appendix 1. Should they wish to pursue an application they should complete the application form attached at Appendix 2. On receipt of an employee’s application the CCG will consider the employee’s application.

3.3. Factors that will be considered by the CCG when considering whether to approve the application will include, but are not limited to:

- the service need for the post held and its effects on business continuity
- the skills and experience of the individual employee concerned
- whether approval of the application will promote necessary efficiencies
- whether approval of the application will promote cost saving
- whether approval of the application will either create a vacancy that can be absorbed at no cost or can be filled by redeployment from a post that in turn need not be filled

3.4. Each application under the Scheme will be considered on its own merits and the CCG reserves complete discretion to determine whether or not an application will be approved. There will be no right of appeal on the part of those staff whose applications are not successful. The criteria applied will

ensure that employees are not disadvantaged based upon disability, gender, age, sex discrimination, sexual orientation, grounds of religion or belief.

#### **4. TERMS OF THE SCHEME**

4.1. If an application for voluntary redundancy under the Scheme is approved the employee's employment will come to an end by mutual consent and for the reason of voluntary redundancy. It will be normal practice for the employee to work any contractual notice but the CCG reserves the right to agree an earlier termination date with the employee. Where the employee's application under the Scheme is successful they will receive a redundancy payment calculated in accordance with section 16 of Agenda for Change.

4.2. In summary the employee whose application is approved will be entitled to one of the following options depending on their age and membership of the NHS pension scheme:

- Payment of a lump sum based on one month's pay (as defined in section 16.7 of Agenda for Change) for every complete year of reckonable service (as defined in sections 16.5 and 16.6 of Agenda for Change) up to a maximum payment of 24 months' pay.

#### **OR**

- CCG employees who; are members of the NHS Pension Scheme, have at least 2 years' qualifying membership and who meet the minimum age requirements as set out in section 16.10 of Agenda for Change, may apply to retire early without a reduction in the payment of pension benefits in accordance with section 16.10 of Agenda for Change.

4.3. The above is intended to be a summary of the entitlements under section 16 of Agenda for Change and the payments will be made in accordance with the entitlements as set out in Agenda for Change. An employee may request an estimate of entitlements from human resources in advance of making a decision to apply under the Scheme.

4.4. The employee will be asked to identify which is their preferred option in the application form and this information will be shared with the Remuneration Committee, which will be convened to consider and approve the applications.

#### **5. INDEPENDENT ADVICE**

5.1. Decisions which impact on pension arrangements are extremely important individual decisions. Employees should therefore consider taking independent financial and pension advice before making any decisions that may affect their pension. Although the payroll team may help individuals to understand the NHS Pension Scheme rules, the CCG and its staff are not legally authorised

under the Financial Services Act to give pension or other financial advice to individuals. **The CCG will, therefore, not provide any additional information to staff regarding pension's information and implications of redundancy situations to employees or their line managers, other than the estimate of entitlements mentioned above.** The seeking of independent legal advice will be at the employee's own expense and will not be recoverable from the CCG.

## **6. RE-EMPLOYMENT**

- 6.1. If the employee obtains alternative employment within the NHS without a break, or with a break not exceeding 4 weeks of the termination of their employment under the Scheme the employee will be required to re-pay any payment made under the Scheme. Employees are advised to seek appropriate legal or trade union advice if unclear on whether acceptance of employment may jeopardise their eligibility for a redundancy payment. See section 16.17 of Agenda for Change terms and conditions of service.

## **7. APPLICATION PROCEDURE**

### **7.1 Employee Application**

- 7.1.1. Employees will be invited to apply under the Scheme as determined by the CCG. Employees who fulfil the relevant eligibility criteria can then apply under the Scheme using the form attached at appendix 2. The application should include an election of which payment method, as set out under the Scheme, the employee is applying for. If the employee requires additional information on the calculation of such payments they should discuss this with their line manager and advice may be sought from Human Resources.

### **7.2 Discussion with Line Manager and Support for Application**

- 7.2.1. Eligible staff who wish to apply under the Scheme should discuss their case with their Chief of Service in the first instance and further advice can be obtained from Human Resources. The employee's Chief of Service will be asked to indicate their support or otherwise for the application by completing the form attached at appendix 2, outlining the potential financial savings and pay-back time along with reassurance as to how the business needs for the CCG will continue to be met.
- 7.2.2. Employees should then submit their application for voluntary redundancy under the Scheme to Human Resources by the notified closing date.

## **8. APPROVAL PROCESS FOR THE APPLICATIONS**

- 8.1. The application will be reviewed initially by Human Resources to ensure that all eligibility criteria set out above are met. If the employee does not meet the

eligibility criteria set out, the application will not be progressed and the employee will be notified of this in writing. If the eligibility criteria are met, Human Resources will submit the application to the Remuneration Committee.

- 8.2. As stated above, the CCG reserves the right to determine whether or not an application will be approved and there will be no right of appeal on the part of those employees whose applications are not successful. There will be no automatic entitlement to payment under the Scheme and each case will be considered on its own individual merits.

## **9. NOTIFICATION OF OUTCOME OF APPLICATION**

- 9.1. Where the application has been approved by the Remuneration Committee, Human Resources will write to the employee confirming that their application has been approved, confirming the amount and method of payment, proposed leaving date and requesting the employee's acceptance or rejection of the offer within a specified timescale.
- 9.2. Where the Remuneration Committee does not approve the application, Human Resources will write to the employee advising them that their application has not been successful and a brief summary of the reasons why it has not been possible to approve the application.

## **10.0 TIMING OF THE SCHEME**

- 10.1. The CCG reserves the right to withdraw or amend the Scheme at any time.

## **11.0 EMPLOYEES ON LEAVE FROM THE CCG**

- 11.1. Employees on maternity leave, career breaks, long term sickness absence etc., will not be selected for voluntary redundancy if it is solely connected to the reason for their absence. However, this does not mean that such employees cannot be selected for redundancy when measured against other criteria.
- 11.2. All absent staff will be contacted in writing by Human Resources to confirm their eligibility to be considered for the voluntary redundancy scheme and notified of the outcome in due course.

## **12. SUPPORT MECHANISMS**

- 12.1. Human Resources will work in conjunction with Job Centre Plus and other support services to provide staff with information which may be available to them when considering their options under the VR scheme. If subsequently the CCG needs to implement a compulsory redundancy scheme Job Centre Plus will be involved earlier than normal.

**VOLUNTARY REDUNDANCY SCHEME – EXPRESSION OF INTEREST –  
REQUEST FOR QUOTE FORM**

**For completion by the employee – please complete and return to HR Manager by no later than xxx should you wish to receive a quote to support an application for redundancy. At this stage this is not an application for VR and is not binding on either the CCG or the employee.**

**Please note: All quotes will be an indicative figure and not the final figure as this will be dependent upon your final leaving date. However, for ease of reference the CCG will use two dates for your quote xxx and xxx . This does not describe your leaving date but is purely for illustrative purposes.**

**To be eligible for a quote you must be able to comply with the following and please tick to confirm you understand the eligibility criteria for redundancy**

**Please confirm the following as relevant:**

I comply with the eligibility criteria set out within the voluntary redundancy scheme and wish to apply for a quote for a redundancy payment under the Scheme.

OR

**Over age 50 only**

I comply with the eligibility criteria set out with the voluntary redundancy scheme and wish to apply for a quote for retirement without reduction in my benefits as set out in sections 16.10 – 16.11 of Agenda for Change

Signed.....

Date.....

## PERSONAL INFORMATION REQUIRED FOR A QUOTE

Full name	
Date of birth	
Job title	
Department	
Agenda for Change Band/Salary	
National Insurance Number	
CCG start date	
NHS continuous service date	
Continuous membership of the NHS pension scheme (including date on which you joined the NHS pension scheme) if known	

**APPLICATION FORM FOR VOLUNTARY REDUNDANCY PAYMENT**

**I wish to apply for a voluntary redundancy payment under the NHS Doncaster CCG Voluntary Redundancy Scheme. I understand that by submitting this application I am committing to a request for the CCG to consider and approve my release from employment. I understand that final approval will be in accordance with the CCG's procedures.**

**I understand that the decision of the CCG will be final and there is no right of appeal against this decision. I also confirm that I have taken the necessary advice (both legal and financial) to make this application.**

**I understand that the CCG reserves the right to confirm my proposed leaving date (which may not include all of my contractual notice period) and that I am not entitled to receive any payment in lieu of notice.**

**On the basis of the above please accept the following application which has been populated with information from HR based on my employment records.**

Name of employee	
Department and Post Held	
Basic annual salary and Agenda for Change band	
CCG start date	
Continuous NHS service date	

Illustrative redundancy payment as per quote received from SBS	
Notice period (if applicable) and annual leave payment if applicable (illustrative)	
Leaving Date (recommended)	

**Over age 50 only please identify which option you wish your application to be considered under**

I comply with the eligibility criteria set out with the voluntary redundancy scheme and wish to apply for a quote for retirement without reduction in my benefits as set out in sections 16.10 – 16.11 of Agenda for Change

OR

I comply with the eligibility criteria set out with the voluntary redundancy scheme and wish to apply for a quote for voluntary redundancy payment only as set out in sections 16.6 – 16.7.of Agenda for Change.

Employee Signature: .....

Date: .....

**PLEASE PASS TO YOUR CHIEF OF SERVICE FOR COMPLETION**

**To be completed by the employee's Chief of Service.**

Please complete as relevant:

I support this application and business continuity will not  
be affected by the voluntary redundancy of the above named

OR

I do not support this application for the following reasons

.....

and the recommended leaving date for the employee based on business continuity  
and handover requirements is .....

Name .....

Signed .....

Position .....

Date .....

**FIXED TERM CONTRACTS**

- 1.0 In accordance with Section 11 of Agenda for Change terms and conditions of employment employees on fixed term contracts will receive pay and conditions of service equivalent to that of a comparable, permanent employee.
- 2.0 In certain circumstances employees on a series of fixed term contracts with one or more NHS organisations who have at least 104 weeks continuous service (without a break of more than one week) who have not had a break in service of more than 12 months will be eligible to receive redundancy payments at the end of their fixed term contract.
- 3.0 The exception to paragraph 2.0 is for employees employed on a fixed term basis to cover for a permanent member of staff, for example, to cover maternity leave. In these circumstances dismissal would be for some other substantial reason, not redundancy.
- 4.0 Further advice should be sought from HR before ending any fixed term contract at least three months prior to the end date of the contract.