

## **LEAVING EMPLOYMENT POLICY UPDATE**

Report of the Director of Finance and Company Secretary

### **1. SUMMARY**

- 1.1 The Governance Committee at their meeting of 12 November 2020, updated the triannual review of the Leaving Employment Policy.

This report proposes a minor addition to the policy, in advance of its planned full review in November 2023. Specifically in relation to how the payment of back pay on delayed pay rises to employees who have left the organisation is administered.

### **2. RECOMMENDATION**

- 2.1 To add into the Leaving Employment policy that upon the ending of employment with Derby Homes, the employee ends any entitlement to any pending pay award.
- 2.2 To apply the amendment, immediately from 1 September 2022.
- 2.3 To consider if at the date of leaving, the employee is employed on NJC terms and conditions, following a TUPE transfer. If so, then these terms and conditions will override the Derby Homes policy. If the NJC terms and condition are silent on this back pay, then the Derby Homes policy will apply.

### **3. REASONS FOR RECOMMENDATION**

- 3.1 The approach is consistent with that adopted by Derby City Council.
- 3.2 It prevents possible difficulties in pension calculations, individuals tax and / or benefits assessments arising.
- 3.3 It clarifies a current ambiguity in the policy.

### **4. MATTERS FOR CONSIDERATION**

- 4.1 The annual pay award is not usually finalised in advance of the forthcoming financial year. In practice, this is often decided a number of months after the start of the financial year and pay is back dated for current employees.

The current Leaving Employment policy is silent on the award of a retrospective payment to leavers, who leave prior to the pay award (for the current or previous year) being finalised.

## **5. OTHER OPTIONS CONSIDERED**

- 5.1 Adopt the reverse option and pay all leavers backdated pay awards. This was discounted because of the reasons listed in section 3.

## **IMPLICATIONS**

### **6. CONSULTATION IMPLICATIONS**

- 6.1 Not considered necessary as the proposal is to confirm a position rather than to remove a current right available to an employee.

### **7. POLICY REVIEW IMPLICATIONS**

- 7.1 The Leaving Employment policy is a key policy of Derby Homes and is included in the Key Policy Review Schedule. In accordance with Derby Homes Board Minute 10/51 this policy will be reviewed no later November 2023.

The areas listed below have no implications directly arising from this report:

Financial and Business Plan  
Legal and Confidentiality  
Council  
Personnel  
Environmental  
Equalities Impact Assessment  
Health & Safety  
Risk

For more information please contact:

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Background information: [Item 6 - Leaving Employment Policy – Governance Committee – 12 November 2020](#)

List of appendices

This report has been approved by the following

Finance Director and Company Secretary	Michael Kirk	25.08.2022
Managing Director	Maria Murphy	26.08.2022