



Buy Out of Hours Procedure

Policy lead:	Janet Robinson
Last review date:	13 April 2021
Next review date:	13 April 2024
Approval needed by:	Finance and Staffing

This policy is applicable to all staff at The Learning Alliance.

Aims

To outline the procedure to be used where there is a business/organisational need to buy out a proportion of an employee's hours, following a re-organisation, downsizing or as an alternative to redundancy.

Principles

This procedure applies in situations where:

- An employee's work has diminished
- The work of a group of employees has diminished or ceased
- Redundancy would otherwise apply

This procedure does **not** apply to voluntary reductions in hours.

This procedure will **not** apply in situations where an employee has two or more separate jobs with the school; whereas a result of a re-organisation or downsizing one of these jobs is deleted, but as a result of a successful redeployment exercise the employee is no worse off financially than they would have been in their previous jobs.

The formula used to calculate the buy out payment will be based on the statutory redundancy scheme for the hours lost, using contractual base pay.

NB: Where the reduction in hours is mutually agreed the number of weeks applicable (as determined by the Statutory Redundancy Scheme) will be multiplied by 1.5.

This procedure will be applied to an employee's substantive (contractual) hours or additional temporary hours where these have been worked for a period of more than 2 years.

The application of this buy out procedure will not prevent an employee from applying for other jobs within the school or increasing their hours at a later date where circumstances allow.

Procedure

Where it has been identified that there is a need to buy out a proportion of an employee's hours, the payment should be calculated according to the following formula:

1. Calculate the hourly rate using contractual base pay relating to the employee's substantive position:

Contractual Base pay (pro rata if part time) divided by 365, multiply by 7 and divide by the contractual hours of the substantive position, e.g.

Contractual Base pay = £19,126
Employee works 37 hours

£19,126 divided by 365 multiply by 7, divide by 37 = £9.91. This is the hourly rate

In the same circumstances where the employee works 26 hours

Contractual Base pay = £13,439 (pro rata to full time pay of £19,126)

£13,439 divided by 365, multiply by 7, divide by 26 = £9.91 hourly rate.

2. Calculate the number of weeks' pay using the [Statutory Redundancy Calculator](#)

This is calculated according to the employee's age and number of years' service, see above link.

Number of weeks, multiplied by 1.5, multiplied by number of hours lost, multiplied by the hourly rate

e.g. 20 weeks x 1.5 x 10 hours lost x £9.91 = £2,973 buy out payment

In this example the employee is 51 years of age with 15 years' service.

The changes to working arrangements and buy out arrangement must be confirmed in writing to the employee and notification of a change of contractual details must be completed and sent to payroll.

Equality

The Learning Alliance will ensure that, when implementing the Buy Out Procedure no employee will be disadvantaged on the basis of their gender or transgender, marital status or civil partnership, racial group, religion or belief, sexual orientation, age, disability, pregnancy or maternity, social or economic status or caring responsibility. This means that the Procedure may need to be adjusted to cater for the specific needs of an individual including the provision of information in alternative formats where necessary.

Review

This procedure will be reviewed in light of operating experience.