



Name of Policy	Settlement Agreement
Responsible Officer	Director
Date approved by Board	31 March 2026
Date of next Review	March 2029
Section	Corporate Services

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1.0 Introduction

- 1.1 **Kingsridge Cleddans Housing Association Ltd.** expects that its existing range of employment policies will be able to successfully resolve the vast majority of workplace disputes and business challenges that we may face. However, we also acknowledge that there may be occasions when “Settlement Agreements” can be considered when unique situations arise.
- 1.2 Our aim is to resolve disputes sensibly and thus minimise the use of Settlement Agreements. Where they are used, we will ensure that conditions contained within them are restricted to those necessary to deal with the industrial relations, business challenges, and employment law issues concerned. We will also seek value for money in any agreement(s) we conclude.

2.0 Background

- 2.1 Settlement Agreements (formerly known as Compromise Agreements) are one way in which employers and employees (or former employees) mutually agree to deal with local disputes and business challenge issues that may otherwise have the potential to reach an Employment Tribunal (or other court).
- 2.2 Settlement Agreements will often be used to bring the employment relationship to an end in a conclusive and binding manner. However, they can also be used to deal with other types of workplace issues we may have from time to time, such as: changes to working patterns; disputes over overtime arrangements; introduction of new grading systems and similar. When considering any such agreement, we may also consider if there are any realistic alternatives, such as redeployment. The Director shall have discretion in deciding if this is appropriate.
- 2.3 We would expect our existing policies, such as Redundancy, Retirement, Grievance, Discipline, Company Sick Pay, Notice Provisions and similar, along with our local/national negotiating framework(s) - to provide methods to deal with the majority of such matters.
- 2.4 However, without implying any sense of entitlement, we do nonetheless reserve the right to resolve employment disputes using Settlement Agreements where we consider it sensible to do so. For example, we may include our use of these as a further safeguard in redundancy situations. We may also consider their use where the employment relationship with one of our employees has irretrievably broken down; or, where it has broken down between employees.
- 2.5 We accept that in all cases any agreement struck must be entered into voluntarily by the employee(s), and that they must also have received suitable advice from an appropriately qualified and indemnified person.
- 2.6 We are aware of our duties to notify the Scottish Housing Regulator of any notifiable action and such agreements may fall under this.

3.0 Contents of any Agreement

- 3.1 Disputes in which employees are remaining in our employment may be settled with a variety of monetary and/or other provisions as are pertinent to the matters at hand – overtime pay rates may be altered; small monetary sums may be agreed to effect a change in working practices; changes to shift working patterns may be agreed, and such like.
- 3.2 Where a dispute results in the employee leaving our employment (or a similar issue with a former employee resulting in their waiving any rights to approach an employment tribunal) the main tool in settling the matter will be to pay an agreed financial sum to the employee. In this regard we will always aim to keep such payments low (albeit keeping in mind the depth and complexity of the dispute).
- 3.3 In no circumstances will the total value of any payment exceed the upper limit achievable (weeks' pay basis) within our local arrangements on redundancy pay. That amount aside, we also acknowledge the additional need to pay contractual elements as may be due, such as notice pay and outstanding holiday pay. Any agreement we strike will separate the various payments and will clearly identify those elements (and their value) which will be subject to income tax and national insurance contributions in the normal way.
- 3.4 From time to time, and in the light of circumstances faced, we may consider including other “one-off” components within an agreement.
- 3.5 We will also include the expected provisions confirming that both parties will maintain suitable confidentiality in relation to the terms of the agreement and the requirement not to disclose these. However, we will restrict such provisions to cover those matters that are normally confidential within an industrial relations framework, or those that are otherwise specifically contained within the spirit of the General Data Protection Regulations framework. We will not include restrictions on disclosing matters beyond – particularly such issues that are undeniably of wider public interest/whistleblowing.

4.0 Concluding Agreements

- 4.1 All employee(s) will be advised to seek advice from a suitably qualified and indemnified adviser – such as an authorised/certified trade union person; an authorised/certified advice worker; or a lawyer. We will not permit the employee to use any adviser who is also acting for us. Where the adviser charges the employee a fee, we may cover that cost up to the value of £250 plus VAT. Where the fee is higher than this, then the employee will be responsible for paying the balance. Such sum as we pay in this regard will be over and above the overall limits we have earlier set out.
- 4.2 From our side we may use any resource that we feel is best able to conclude the agreement on our behalf, for example our EVH HR team; an external HR service, an ACAS official, or an employment lawyer. We may also mix and match – for example, our EVH HR people may deal with the difficult “negotiations” stage before passing the matter onto another adviser/ACAS official/lawyer to write up the formal agreement paperwork.

In most circumstances, we will use our solicitors to oversee the process, this will ensure that we remain legally protected. All Settlement Agreements will be finalised by the Management Committee.

5.0 Costs Involved

- 5.1 Aside from the value of any payments made to employees, we will seek value for money in the cost involved in our executing any agreement.
- 5.2 Due to the expected limited use, we will sense check likely costs involved each time we execute a Settlement Agreement. We are aware that EVH, and others, may be able to offer information on what a variety of advisers typically charge.

6.0 Equalities Impact

- 6.1 We do not see this policy as having any direct impact upon the protected characteristics contained within the Equality Act 2010. We will however be mindful in the way we select those unresolved disputes/business challenge issues to route via the Settlement Agreement method.
- 6.2 We will also be mindful of the way in which we present this option to employees and the language we use when discussing any proposition with them. By extension we will avoid holding any assumptions as may be viewed to be discriminatory, and/or taking actions which in themselves could be perceived as victimising the employee(s) concerned.