

FIXED TERM CONTRACTS

1. Introduction

- 1.1. The Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations came into effect on 1 October 2002 and covers employees on contracts with a defined end date. In law the definition of a Fixed Term Contract is:

A contract of employment which is made for a specific term which is fixed in advance, or which terminates automatically on the completion of a particular task or upon the occurrence or non-occurrence of any other specific event.

- 1.2. It is unlawful to treat an individual on a fixed term contract less favourably than comparable open-ended employees because they are fixed term unless that differential treatment can be objectively justified (see section 2.5). This includes pay and benefits (including pension), opportunities for training, development and promotion.
- 1.3. Employers must give fixed term employees the same opportunity as open-ended employees to secure open-ended vacancies in their establishment. At the University of Stirling all current vacancies are posted on the [Current Vacancies](#) page on the [HR & OD website](#).
- 1.4. If an employee has been continuously employed for 4 years or more on a series of successive fixed term contracts they are deemed to be open-ended employees unless continued employment on a fixed term basis can be objectively justified (see section 2.5).
- 1.5. An employee who is offered a second or subsequent fixed term contract and has acquired 4 or more year's continuous service is legally entitled to request a written statement to explain the objective justification for the continuation of their fixed term status. The employer must provide this within 21 days.
- 1.6. The Trade Union and Labour Relations (Consolidation) Act 1992 (Amendment) Order 2013, legislated that employees whose fixed term contracts expire at their natural end will not be counted for collective redundancy consultation.
- 1.7. An employee on a fixed term contract cannot be automatically selected for redundancy because of their fixed term status unless it can be objectively justified (see section 2.5).
- 1.8. The non-renewal of a fixed term contract is automatically a dismissal in law. Fixed term employees with more than 2 years continuous service have the right not to be unfairly dismissed.
- 1.9. An employee whose fixed term contract extends beyond 2 years and who is dismissed by reason of redundancy is entitled to receive a statutory redundancy payment when the fixed term contract ends.

2. Policy

- 2.1. The University of Stirling is committed to treating all employees fairly and equitably. This includes ensuring that employees have equal access to the development and promotional opportunities employment at the University can bring. It is the intention of the University, where possible, to employ staff on open-ended contracts (sometimes referred to as permanent or indefinite contracts). However, the nature of the University sector, its work and the funding that helps pay for the University's research and staffing costs does not always make this possible or practical. There are times when the use of a fixed term contract is the most appropriate method of employment.
- 2.2. This policy aims to set out the University's position on the use of fixed term contracts and to ensure that such contracts are only used in circumstances that can be objectively justified (see section 2.5) and where it is appropriate and justifiable to do so.
- 2.3. The University of Stirling is committed to ensuring that employees engaged on fixed term contracts enjoy similar terms and conditions of employment as their colleagues on open-ended contracts. As well as financial remuneration, this also includes access to training, development and promotion opportunities.
- 2.4. There are strict criteria on the renewal of fixed term contracts and regular reviews carried out to ensure that all fixed term appointments can be objectively justified (see section 2.5).
- 2.5. Managers must justify the reasons for making an appointment on a fixed term basis or extending an existing fixed term contract. The University of Stirling considers the following (non exhaustive) examples to be **objective justification** for fixed term contracts:
 - Where the post relates to a specific activity or event or project which is expected to end at an identifiable point or date (includes seasonal work)
 - Where cover is required for sickness or maternity leave
 - Where cover is required for a secondment or leave of absence
 - A Fellowship
 - Externally funded appointment where funding is finite or there is no reasonably foreseeable prospect of the funding being renewed or reasonable prospect of alternative funding (either internal or external) being available
 - Where the fixed term appointment requires input from a specialist
 - Where student numbers or business demand can be clearly demonstrated to be uncertain
 - Where the contract is to provide a career development or training opportunity of limited duration
 - Where the appointee cannot commit to an open ended contract due to work permit or visa restrictions
 - There are contractual restrictions to funding e.g. European funding
 - Where staff have been reengaged post-retirement
- 2.6. Managers or Grant Holders should ensure that externally funded posts include sufficient funding for redundancy payments at the end of the contract. Also Managers must consider provision for redundancy payments in the budgeting process.

3. Procedures

3.1 Recruitment to a Fixed Term Contract Position

The recruitment and appointment procedures set out within the University's [Recruitment Policy](#) apply to all fixed term appointments.

For advertised fixed term contract posts, when posting to Talentlink, an objective justification (see section 2.5) for the post being fixed term must be identified/completed on the Talentlink requisition. The reasons and supporting evidence for fixed term status (e.g. copy of grant letter; details of maternity leave cover) must be uploaded onto Talentlink prior to advertising.

For all non-advertised post forms and short term appointments (less than 6 months), the reasons and supporting evidence for fixed term status (e.g. copy of grant letter; details of maternity leave cover) must also be submitted to HR Operations with the appointment form.

This will be kept on the employee's file and may be used as evidence should justification be required for the non-renewal/extension of a fixed term contract.

3.2 Terms and Conditions

Unless differential treatment is objectively justified the University's standard Terms and Conditions of Employment, appropriate to the Grade of post, apply to fixed term appointments during the term of the contract.

3.3 Extension or Non-renewal (termination) of a Fixed Term Contract

Managers have a responsibility to ensure that when a fixed term contract comes to an end the process is managed efficiently and with due care. HR Operations will provide a monthly report to Managers highlighting the names of employees whose fixed term contracts are due to expire within the next 6 months.

On receipt of the report, the Manager should, establish if the continuation of the post is required and further funding is available or if contract is to end.

3.3.1 Extension of a Fixed Term Contract

Where additional funding becomes available to extend a fixed term contract a Fixed Term Review Form should be completed and submitted with the Change of Employment Details form to extend the contract. If funding does become available, the manager should advise the employee of this at the earliest possible opportunity.

3.3.2 Non-renewal of a Fixed Term Contract

The employee's fixed term contract will define when the contract will come to an end e.g. on a particular date. No further notice of the expiry of a fixed term contract is required to be given by the University. However, if the contract is to be terminated early then the amount of contractual notice, as set out in the terms and conditions for the post, should be given.

If it is proposed that a fixed term contract is not to be renewed a consultation process with the employee should commence as soon as possible. The purpose of the consultation process is to keep the employee fully informed and to manage their expectations. The consultation discussion should include confirmation that the fixed term contract is due to expire on the previously defined date, that the contract is being reviewed and to provide an update on the situation e.g. regarding funding or continued requirement to cover long term absence. The employee should be invited to contribute any suggestions they have to secure an extension to their contract (e.g. funding opportunities).

Dialogue should continue with the employee throughout the consultation period and should be documented. This is extremely important as the documentation may be required in any subsequent appeal.

Once the expiry of the fixed term contract has been finalised a formal meeting should be arranged (see 3.4 below) at which the employee may be accompanied by a work colleague or Trade Union Official.

3.3.3 Early termination of a fixed term contract

If the contract is to be terminated before its expiry date the correct amount of contractual notice should be given as set out in the employee's terms and conditions for the post should be given. In this situation managers should seek guidance from HR on the appropriate procedure to follow.

3.4 End of contract meeting

In the event that the post is no longer required the employee should be invited to a meeting to discuss the termination of their employment using the standard text (Appendix A) and copied to HR Operations. The ongoing dialogue with the employee during the consultation process should ensure that the outcome is not unexpected. It is fundamental that the expectations of fixed term employees are appropriately managed at all times.

The meeting is voluntary and the employee does not have to attend. However, HR Operations should be informed if the employee declines the invitation to meet to enable a file note to be made. The employee has the right to be accompanied to the meeting by a trade union representative or work colleague.

At the meeting the employee should be informed that their contract is due to end and the reason why there is to be no extension. The reason must be objectively justified. During the meeting the employee should be given the opportunity to discuss the end of their fixed term contract and any concerns/issues they have with the decision not to extend their employment.

The Manager should discuss redeployment opportunities with the employee and the employee should be made aware of the University's [Redeployment policy](#). Details of all vacancies within the University are available on [HR & OD website](#). The employee should be notified of their right to appeal against the non-renewal of their contract and that this will be confirmed in writing.

Following the meeting the manager should submit a contract [Termination form](#) to HR Operations stating the objective justification for non-renewal. HR Operations will issue a letter to the employee confirming the end of contract, the objective justification for non-renewal, a link to the University's Redeployment procedure and details of the employee's right to appeal. If the employee has in excess of 2 years' service they will also be informed of their redundancy pay entitlement (if any).

3.5 Right of Appeal

Employees have the right to appeal against a decision not to renew their fixed term contract as set out in the University's Ordinance 68, Part II, Schedule V [Appeal Procedure](#). The right to appeal should be notified to the employee during the consultation meeting and again in writing when the end of their contract is confirmed by the HR Operations.

4. Timetable

- 4.1 HR Operations will issue monthly reports to managers to highlight fixed term contracts ending within 6 months.
- 4.2 On receipt of the report from HR Operations, managers must review ongoing requirements and comply with appropriate actions and notice periods set out above.

5. Equality Impact Assessment

- 5.1 A full Equality Impact Assessment has been carried out for this policy.

6. Health & Safety Implications

- 6.1 There are no identified health and safety issues or precautions required to use and implement this policy and procedure.

Policy Author: Carole Docherty, HR Partner

Date: April 2016

Version: FTC01

Personal

Name

Address

Date

Dear

As you will be aware your current fixed term contract is due to end on (date). Following a period of consultation to discuss the options available, I am writing to invite you to a meeting with myself on (insert day and date) at (insert time). The location of the meeting will be (location).

The purpose of the meeting is to discuss a proposal to terminate your employment on the above date.

The reason/s for the proposed termination is/are (***insert reason – this should relate to the objective justification for the fixed term contract e.g. end of funding***). This fixed term contract being ended is in no way a reflection of your performance in the post but entirely because of the reason set out above.

You are welcome to invite a work colleague or trade union representative to accompany you to the meeting if you choose.

Please let me know by (date) if you are able to attend this meeting or if you wish to decline. If you are unable to make the suggested time/date please let me know so that a mutually convenient time can be arranged.

Yours sincerely

(Insert name)

(Inset job title)

cc HR Operations



FIXED TERM CONTRACT REVIEW FORM

Employee name		Employee number	
Job Title		Department	

Date of Commencement with University	(DD/MM/YYYY)	End date of new/proposed fixed term contract	(DD/MM/YYYY)
Length of continuous service at end of new/proposed FTC			____ Years ____ Months

Details of FTC to date (Including current proposal)				
	Start date	End date	Reason for FTC	Grant Details (Name of Funder) If applicable
1.				
2.				
3.				
4.				
5.				

The above named employee is employed on a fixed term contract. Within the next 12 months their contract is due to expire. The proposed continuation of their employment will result in 4 or more years' service. We are legally required to review whether the continuation of their employment can be objectively justified on a fixed term basis. In order to determine if there are objective justification for this person's employment status remaining fixed term please complete the questionnaire overleaf and return to HR Operations.

You will be notified of the outcome by HR.

FOR HR USE ONLY

HR & OD Director		
To be transferred to an open ended contract?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
Signature:	Date:	
Print name:		
HR & OD comments:		

FUNDING	
1. Is the purpose for fixed term status due to funding? If no, go to <i>Question 6</i>	Yes <input type="checkbox"/> No <input type="checkbox"/>
2. If yes, explain nature of funding including number and size of grants, restrictions placed by funding body (e.g. fixed term contract only) and end date of funding.	
3. Is it likely the funding will continue beyond its current end date?	Yes <input type="checkbox"/> No <input type="checkbox"/>
4. If the funding for the post ceases at its current end date, how likely is it that other funding sources will be secured (both internal and external funding)?	

REQUIREMENT FOR POST	
5. Is it likely that the department will require this type of work to be done or skills/expertise beyond the funding period?	Yes <input type="checkbox"/> No <input type="checkbox"/>
6. For fixed term posts not restricted by funding please state reasons for fixed term status (i.e. cover for periods of absence, special project role, etc.)	
7. Will contract cease at end date? If no, state reasons and type of contract to be offered	Yes <input type="checkbox"/> No <input type="checkbox"/>
8. If fixed term explain reasons for continuing fixed term status and confirm end date of contract?	
9. Do you foresee the contract being extended beyond this date?	Yes <input type="checkbox"/> No <input type="checkbox"/>

CONTRIBUTION	
10. How important is the contribution of the post holder to the academic, financial and business objectives of the department?	

RISK	
11. What are the risks if the post holder is transferred to an open ended contract?	

12. What are the consequences if the post holder's contract is not transferred to an open ended contract (e.g. resignation, REF)?

For completion by Manager			
Comments/Additional Information:			
Please review the objective justifications below and make a recommendation.			
RECOMMENDATION:			
Extend fixed term contract?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Move to open ended contract?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Signature:		Date:	
Print name:			
Designation:			

Objective Justifications

The University of Stirling considers the following (non exhaustive) examples to be objective justification for the use of fixed term contracts:

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