

# **Redundancy Policy and Procedure**



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## **1. POLICY STATEMENT**

- 1.1 The council aims to ensure as far as possible, security of employment for its employees. However, it also recognises that there may be circumstances when the Council has to reduce the number of employees. Such changes may mean that some jobs are redundant or must be substantially changed to improve service efficiency.
- 1.2 In this event the Council will seek to minimise the effects of redundancies by seeking suitable volunteers and will support employee finding alternative employment through the redeployment. Where compulsory redundancies are unavoidable, the council will handle the redundancies in the most fair, consistent and sympathetic manner.

## **2. CONSULTATION**

- 2.1 The council will inform the recognised Trade Union of staffing requirements and any potential redundancy situation. When change becomes necessary, consultation with the Trade Union and individual employees who are affected will commence at the earliest practicable opportunity.

Failure to consult employees in a redundancy situation, will almost certainly be unfair. Collective consultation rules must be followed if there are 20 or more employees redundant within any 90-day period at a single establishment. The Redundancy Payments Service must be notified before consultation starts by completing HR1 form.

- Consultation will start at least 30 days before the first dismissal takes effect if 20 to 99 employees are to be made redundant over a period of 90 days or less
- And at least 90 days before the first dismissal takes effect if 100 or more employees are to be made redundant over a period of 90 days or less.

- 2.2 If redundancies are expected then the Council will provide information to the Trade Union on:

- i) The reasons for the proposals.
- ii) The numbers and descriptions of employees involved.
- iii) The selection criteria to be used.
- iv) Procedures to be used in carrying out the dismissals including the period over which dismissals are to take effect.
- v) How redundancy payments will be worked out

- 2.3 Consultation with employees affected will involve

- i) Giving as much warning as practicable of the change and its implications.
- ii) Consideration for redeployment.
- iii) Consideration of any relevant matters they wish to raise.

### **3. MEASURES TO AVOID OR MINIMISE REDUNDANCY**

3.1 Every effort will be made by the Council to reduce the number of possible redundancies by considering:

- i) Freezing vacancies or restricting the recruitment of permanent staff.
- ii) Reducing the use of temporary employees.
- iii) Reducing or eliminating overtime.
- iv) Short time working
- v) Volunteers for early retirement or voluntary redundancy.

It is important that the Council retains the balance of skills and experience within the remaining workforce. Consideration will only be given to volunteers for redundancy if this is not detrimental to the Council.

### **4. SELECTION CRITERIA**

4.1 If having taken any of the above steps, the number of employees still exceeds the requirements, selection criteria may have to be applied. The criteria to be considered will be based on objective assessment of

- i) Performance/capability
- ii) Skills and experience
- iii) Length of service
- iv) Attendance
- v) Personal circumstances

These criteria will be applied without discrimination.

### **5. ALTERNATIVE WORK**

5.1 This is dealt with in detail in the redeployment policy.

### **6. GIVING NOTICE**

6.1 You must give staff notice and agree a leaving date once you've finished the redundancy consultations.

Give staff at least the statutory notice period, based on how long they have worked.

Length of service	Notice period
1 month to 2 years	At least a week

2 years to 12 years	A weeks' notice for every year employed
12 or more years	12 weeks

For staff with continuous service prior to 1 June 2015 there are protection arrangements for notice periods and therefore the notice period in the contract of employment must be applied.

## 6.2 Pay in lieu of notice

The employment contract does not allow included a payment in lieu of notice clause to allow you to terminate the employment contract with no notice. However, it can be agreed with the employee to terminate the contract without notice and payment will be made to cover the notice period they would have worked.

These payments must have tax and National Insurance deducted.

## 7. OUTPLACEMENT SUPPORT

7.1 Employees who are under notice of redundancy and qualify for a statutory redundancy payment have statutory rights to reasonable time off to look for work and arrange for training for new employment. Where possible assistance will be given to support individuals to adjust to the next stages of their career – e.g. job search, interview techniques etc.

## 8. REDUNDANCY PAYMENTS

8.1. Employees that are made redundant might be entitled to redundancy pay.

To be eligible, an individual must:

- be an employee working under a contract of employment
- have at least 2 years' continuous service
- have been dismissed, laid off or put on short-time working - those who opted for early retirement do not qualify

A redundant employee also has the right to a written statement setting out the amount of redundancy payment and how you worked it out.

8.2 This payment will be calculated using a formula which comprises of a defined number of weeks' pay based on an employee's age and length of employment and are counted back from the date of dismissal.

8.3 Employees get:

- 1.5 weeks' pay for each full year of employment after their 41st birthday
- a week's pay for each full year of employment after their 22nd birthday
- half a week's pay for each full year of employment up to their 22nd birthday

Length of service is capped at 20 years

- 8.4 The calculation will be based on an employee's actual week's pay, rather than the statutory limit. The weeks pay will include all regular payments, such as first aid, unsocial hours, honorarium that have been paid for a minimum of 3 months. Overtime payments, organisational pension contributions and essential car user payments are not included.
- 8.5 The calculation will be based on continuous local government service with any other local authority or employer covered by the Redundancy Payments Modification Order.
- 8.6 If the redundancy is compulsory the number of weeks' pay entitled to under the statutory provision will be multiplied by 2.2
- 8.7 The Head of Paid Service can apply discretion to enhance a redundancy payment where an employee has elected to take voluntary redundancy, up to a maximum of 2.2 multiplier on the week's entitlement. There must be a demonstrable and objective reason for this to be the best interest of the Council.
- 8.8 In addition to the redundancy compensation payment specified above, employees aged 55 and over, who have at least three months membership of the LGPS, will receive immediate payment of an unreduced pension and lump sum based on their accrued contributory service at the date their employment is terminated.
- 8.9 Employees leaving employment on grounds of redundancy may also be offered:
  - i) The option of payment in lieu of any outstanding leave. There is no payment for flexi or TOIL credit.

## **9. APPEALS**

- 9.1 Where an employee believes that the selection criteria has been unfairly applied in their case, they will have the right to appeal to the Appeals Committee within 10 working days of being notified that they have been selected for redundancy.

## **10. REVIEW**

- 10.1 The policy will be subject to a review every 12 months.

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