



Redundancy Policy and Procedure

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Section A: General information

1. Policy statement and principles

- 1.1 Stratford upon Avon and Warwick District Councils ("the Councils") greatly value the contribution made by our employees and are committed to the principle of avoiding compulsory redundancies wherever possible. There may however be occasions where it is necessary to make posts redundant.
- 1.2 This policy and procedure aims to set out clear guidelines to be followed in the event a redundancy situation arises to ensure employees are treated fairly and consistently.
- 1.3 Redundancy occurs if an employee is dismissed due to one of the following reasons:
 - the employer has ceased, or intends to cease, continuing the business, or
 - the requirements for employees to perform work of a particular kind, or to conduct it at the location in which they are employed, has ceased or diminished.
- 1.4 Employees working on fixed term contracts for more than two years will be eligible for redundancy payments if the reason for non-renewal is redundancy. For more advice please contact Human Resources.
- 1.5 When it is necessary to consider redundancies the Councils commit to:
 - Minimising the number of posts being made redundant as far as reasonably practicable
 - Treating employees affected by redundancy in a fair, consistent and sensitive manner
 - Consulting fairly and in a timely and reasonable manner with employees and relevant trade unions
 - Following a fair selection process using clear and objective selection criteria, supported by Equality Impact Assessments.
 - Seeking to find suitable alternative work in line with the councils' Redeployment policy and procedure, across both Councils
 - Following a fair dismissal procedure including making redundancy payments in line with this policy
 - Comply with relevant legislation relating to redundancy and equality

2. Scope

- 2.1 The policy and procedure applies to all employees of the Councils.
- 2.2 This policy and procedure does not apply to casual workers, agency workers or consultants or self-employed contractors. This policy will not apply to other third party or partner organisations where employees are not employed directly by the Councils.
- 2.3 Redundancy payments are only payable to employees with over two years' continuous local government service in line with the Redundancy Payments Modification Order (Local Government).
- 2.4 This policy and procedure supersedes any previous documents at either Council. This policy and procedure does not form part of any contract of employment and will be updated regularly.

3. Roles and responsibilities

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- 3.1 The Senior Management Team (SMT) of the relevant Council is responsible for ensuring adoption of and adherence to this policy and procedure and for approving proposed selection pools, selection criteria and selection decisions.
 - 3.2 Service Managers are responsible for adhering to this policy and procedure and applying it fairly and consistently.
 - 3.3 Service Managers, in conjunction with Human Resources and with the approval of the relevant Head of Service, are responsible for identifying those employees potentially at risk of redundancy and consulting on redundancy proposals.
 - 3.4 Certified trade union representatives or a workplace colleague may accompany employees at all formal stages of this procedure.
 - 3.5 Human Resources are responsible for providing advice, support and guidance on this policy and procedure to managers and employees. Human Resources will also provide a representative for any formal meeting convened under this procedure.

Section B - Detailed procedures

1. Identifying the selection pool

- 1.1 Before consultation can begin, it is necessary to identify which employees are potentially at risk of redundancy (the "selection pool"). A selection pool will consist of at least one of the following categories:
- those who undertake a similar type of work;
 - those who work in a particular department;
 - those who work at a relevant location; and/or
 - those whose work has already ceased or been reduced, or is expected to do so.
- 1.2 It is possible to have a pool of just one employee where their role is completely unique.
- 1.3 Service Managers and the relevant member of SMT must consult Human Resources when identifying the selection pool, having due regard to the Equality Act 2010. Advice should also be sought in respect of any affected employees who are on fixed term contracts.

2. Consultation

- 2.1 When redundancies are being considered, affected employees and recognised trade union representatives will be consulted as soon as practicably possible. The purpose of consultation is to provide as early an opportunity as possible for all concerned to discuss the situation and explore the options. The consultation process should involve consideration of alternative proposals with a view to reaching agreement on ways of avoiding dismissals, reducing the number of employees to be dismissed and/or how to mitigate the effect of the dismissals.
- 2.2 In order to be meaningful, consultation must take place in advance of any formal decisions on new structures or ceasing of services.
- 2.3 For individual redundancies occurring as a consequence of the expiry of a fixed term contract, trade unions will not generally be consulted although the employee may be accompanied to any formal meeting by a certified representative of the trade union (or a work colleague) if they so wish.
- 2.4 Formal consultation will normally begin with a group meeting with affected employees and representatives of recognised trade unions. Consultation will cover the following areas:
- The reason for the proposed redundancies
 - The number of employees potentially at risk of redundancy and their job types
 - Details of the proposed methods of selection
 - The procedure to be followed in dealing with the redundancies
 - The method of calculating the redundancy payments
 - Alternatives to redundancy (where known), e.g. identification of potential suitable alternative employment in a new team structure
- 2.5 Where the number of proposed redundancies is fewer than 20 over a period of 90 days or less, consultation periods will be reasonable in all circumstances to allow sufficient time for meaningful consultation. Advice must be sought from Human Resources when planning the consultation process. Consultation periods can be extended where needed.

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- 2.6 Should it be necessary to make 20 or more employees redundant over a period of 90 days or less then consultation will usually be for a minimum of 45 days before the first dismissal takes effect.
- 2.7 Alongside consulting with the recognised trade unions, employees will also be offered individual consultation meetings during the formal consultation period.
- 2.8 Once formal consultation has commenced, affected employees will be invited to an individual consultation meeting with a manager and a representative of Human Resources where they will be provided with information regarding their particular circumstances and can ask any questions they may have. Employees have the right to be accompanied by a certified trade union representative or a work colleague at this meeting. The following will generally be discussed at this meeting:
- That the employee is potentially at risk of redundancy
 - The reason for the proposed redundancy
 - The timescales
 - Alternative employment opportunities and the employee's aspirations
 - Statutory and contractual entitlements, e.g. reasonable time off for work for interviews, notice period
 - Redundancy payment estimate
 - Any questions the employee would like to raise
- 2.9 It is essential that all affected employees are consulted with. Managers should ensure that employees who are absent from the office, e.g. due to maternity leave, long term sickness, are included in the consultation process.
- 2.10 The Councils appreciate that redundancy situations can be difficult and upsetting for all concerned and aim to keep employees and trade union representatives well informed throughout the process to try to minimise the uncertainty.

3. Measures to minimise redundancies

- 3.1 When there are likely to be redundancies the Councils will consider reasonable steps to minimise compulsory redundancies, such as:
- Restricting recruitment
 - Ring fencing vacancies to certain "at risk" employees
 - Reducing the use of agency/temporary employees
 - Voluntary reduction in hours of work
 - Review and reduction of overtime
 - Early retirement
 - Redeployment and retraining

4. Expressions of Interest

- 4.1 In accordance with ACAS guidance, where there is an existing selection pool the Councils reserve the right to request expressions of interest from that pool for redundancy.
- 4.2 An expression of interest does not in any way guarantee that redundancy will be offered. All decisions are always subject to the needs of the business. The Councils reserve the right to accept or reject expressions of interest and the decision of the Councils will be final.

5. Selection criteria

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- 5.1 Where compulsory redundancy is necessary, we will use redundancy selection criteria that is objective, fair and measurable and in compliance with the Equality Act.. The selection criteria must be applied consistently across the selection pool and will be shared with affected employees and trade union representatives. The criteria must not disadvantage a particular group of employees, e.g. those on maternity leave or those with disabilities.
- 5.2 The selection criteria used will be at the Councils' discretion, subject to factors such as business needs at the time and the roles under consideration.
- 5.3 In accordance with ACAS guidance, selection criteria may include a paper assessment of some or all of the following:
- Skills, abilities, knowledge and qualifications relevant to the Councils' current and future staffing requirements. These will be based upon the job description and person specification for a particular post/area of work and/or the operational needs of the service. Formal qualifications can be taken into consideration if they are required for the post (e.g. RTPI membership);
 - Standard of work performance: selection on this basis must be supported by evidence, for example, annual reviews or performance improvement procedures;
 - Attendance record: excluding absence for industrial injury/illness, disability and family related reasons;
 - Disciplinary records: "live" warnings .
- 5.4 Assessment of employees against the selection criteria for the remaining or restructured job roles should, if possible, be carried out by a manager familiar with the service area. A representative from Human Resources will support the assessment process to ensure a consistent approach is taken and all relevant records maintained.
- 5.5 It may also be appropriate to use competitive interviews as part of the selection process, particularly where there is a new job role.

6. Notification of redundancy

- 6.1 Following the decision being made on the structure, the selection matrix and/or competitive interview will be carried out.
- 6.2 Any staff who are appointed into a new role will be notified in writing that they are provisionally safe pending completion of the restructure/redundancy exercise.
- 6.3 If an employee is provisionally selected for redundancy they will be invited in writing to a formal meeting. At this meeting the employee will be informed that they have been provisionally selected for redundancy and will be given the opportunity to make representations about their selection. The employee can be accompanied at this meeting by a trade union representative or work colleague. Redeployment will be sought for employees at risk of redundancy in line with the Councils' Redeployment policy and procedure.
- 6.4 The meeting will be chaired by an appropriate senior manager. A representative from Human Resources will also be present.
- 6.5 The Chair will consider any argument that the employee puts forward to avoid the redundancy or their selection for redundancy. If, following the meeting, it is decided that the employee shall be given notice of redundancy, they will be informed of this decision in writing, along with details of their notice and redundancy payment and an explanation of how this has been calculated. The employee may request a meeting

to discuss the decision, at which they will have the opportunity to be accompanied by a colleague or trade union representative.

- 6.6 The Councils are committed to trying to find redeployment opportunities wherever possible. Therefore a 6 week 'security of employment' period will be guaranteed once notice of redundancy is issued and the notice period commences. During this time the Councils will continue to seek redeployment. If at the end of the 6 weeks no alternative employment has been found then employment will cease, and any remaining contractual notice will be paid in lieu.
- 6.7 However, there may be occasions where it is agreed, depending on service requirements, to end the employment before the 6 weeks period is completed and to pay the employee in lieu of notice (PILON). Alternatively, an employee may remain employed but will not be required to attend their normal place of work during their notice period (i.e. put on "garden leave").
- 6.8 If an employee has been notified that they have been selected for redundancy they have the right to reasonable paid time off to seek alternative employment or arrange training. All time off must be agreed in advance with the employee's line manager and Human Resources. They will also be added to the Councils' redeployment register as per the Redeployment policy and procedure.
- 6.9 Employees may be required to use outstanding annual leave before their last day of employment, depending upon service requirements.
- 6.10 It is automatically unfair to make an employee redundant for any of the following reasons:
- trade union membership (or non-membership)
 - part-time or fixed term employee status
 - pregnancy or maternity-related reasons
 - parental, paternity, adoption leave or time off for dependants

In addition, making someone redundant because of their age, sex, sexual orientation, marital status, disability, race or religion or any other protected characteristic will be a breach of the Equality Act 2010.

7. Appeal against redundancy

- 7.1 An employee may appeal against selection for redundancy and should be informed in writing of this entitlement.
- 7.2 The employee must provide written notice of the appeal within five working days of being informed of the decision to terminate their employment on the grounds of redundancy.
- 7.3 When lodging an appeal the employee should state the grounds on which the appeal is made.
- 7.4 Appeal hearings will normally take place within ten working days of receipt of the employee's written notice of appeal.
- 7.5 The appeal will be heard by a member of the SMT who has not been involved in the original redundancy selection decision.
- 7.6 The appeal hearing officer will be obliged to consider any representations made by the employee, the employee's companion and, if appropriate, the manager who made the selection for redundancy.

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- 7.7 The appeal hearing officer must decide on the basis of all sets of representations, together with any subsequent facts and mitigation that may have come to light, whether or not to uphold the decision to select for redundancy. The decision will be confirmed in writing, usually within one week. The Council's decision at the appeal is final.
- 7.8 In the event that the appeal hearing officer finds for the employee, they shall allow the appeal and shall take appropriate action to reverse the decision to select for redundancy.
- 7.9 In the event that the original decision to select for redundancy is overturned, the employee will be reinstated with immediate effect and will be paid for any period between the date of the original dismissal and the successful appeal decision. Continuous service will not be affected.

8. Redundancy payments

- 8.1 To be eligible for a redundancy payment the employee must have at least two years' continuous local government service in line with the Redundancy Payments Modification Order (Local Government).
- 8.2 Redundancy payments are based upon an employee's age, length of service and their actual weekly salary rather than the statutory weekly pay limit (excluding payments by way of pension contributions). In cases of redundancy employees receive a compensation payment (incorporating any statutory redundancy payment) based on applying a multiplier of 2.3 to the number of weeks permissible under the statutory redundancy formula. The redundancy pay calculation table is shown in Appendix 1.
- 8.3 Redundancy payments are not taxable up to a maximum of £30,000. Any contractual payments, such as holiday pay, PILON and car allowance are subject to tax and NI.
- 8.4 Redundancy payments are not payable when an employee is redeployed or unreasonably refuses an offer of suitable alternative employment. Further details can be found in the Councils' Redeployment policy and procedure.
- 8.5 If an employee accepts a job offer from another organisation covered by the Redundancy Payments Modification Order (Local Government) before the termination of their employment, and the employment starts within four weeks after the date of redundancy then their service will be deemed as continuous and there will be no entitlement to a redundancy payment. Please speak to Human Resources for further details.

9. Pensions

- 9.1 Employees over the age of 55, who are members of the Local Government Pension Scheme (LGPS), may be entitled to early release of their pension benefits if they are deemed to be redundant. Please contact Human Resources for further information.
- 9.2 The Councils do not grant extra pension membership to scheme members i.e. augmentation of pension where employment is terminated on the grounds of redundancy or in the interests of "efficiency of the service".

10. Support

- 10.1 *Employee Assistance Programme (EAP)*

Redundancy can be distressing for both employees and managers. The Employee Assistance Programme is available for all employees to provide support. This is a free, confidential employee assistance programme which provides expert advice, information, specialist counselling (including face to face) and support. The service is provided by BUPA and can be accessed via telephone on 0330 1230124 or 0800 269 616. Further details can be found on the intranet or from Human Resources.

10.2 If you are a member of a trade union you may wish to contact them for support.