

## Appendix 2

**1. POLICY STATEMENT**

- 1.1 Tewkesbury Borough Council (“the council”) is committed to the principle of avoiding compulsory redundancies if at all possible. However, it is recognised that there may be changes in organisational requirements and other internal and external conditions, which require a reduction in the overall number of staff, which result in some employees being made redundant.
- 1.2 It is agreed by the council that:
- 1) the efficiency of the council shall be maintained and enhanced in order to safeguard the current and future employment of the council’s employees, and
  - 2) The council will at all time use its best endeavours to avoid or minimise compulsory redundancies and their effects.
- 1.3 Under current legislation employees can be dismissed as redundant if the dismissal is attributed wholly or mainly to:
- 1) The fact that their employer has ceased, or intends to cease, to carry on the business for the purposes for which the employees were employed, or has ceased, or intends to cease, to carry on that business in the place where the employees were so employed or
  - 2) The fact that the requirements of that business for employees to carry out work of a particular kind, or for employees to carry out work of a particular kind in the place where they were so employed, has ceased or diminished, or are expected to cease or diminish (*Section 139 (1) ERA1996*).
- 1.4 In order to be entitled to a Redundancy payment an employee would have to have 2 years continuous service.
- 1.5 Redundancy is one of the potentially fair reasons for dismissal and may also occur where it is proposed :
- 1) to reorganise the council, a unit, section or post involving significant changes / reductions in the nature of work, location or hours.
  - 2) to allow a fixed term contract to expire without renewal.
- 1.6 This policy is a discretionary policy setting out the council’s approach to dealing with potential redundancies. It does not form part of an employees’ contractual terms and conditions of employment.

**2. MEASURES TO MINIMISE REDUNDANCY**

- 2.1 The Corporate Leadership Team will identify the possibility of redundancies as early as possible. This will allow the fullest possible investigation of the various alternatives to redundancy and will provide more time for the employee(s) at risk to find other employment.
- 2.2 Consideration will be given specifically to the following alternatives which may help to avoid or limit redundancies:
- reducing staff by natural wastage
  - restricting recruitment
  - retraining and redeployment

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- reviewing and reduction in overtime
- restricting temporary / short term and casual contracts
- early retirement of staff where appropriate
- restricting the use of external consultants and agencies
- seeking voluntary redundancies

**3. SELECTION CRITERIA**

- 3.1 Where the council identifies the need to reduce staff levels below that which can be achieved by the measures taken in section 2, or where these measures will not be effective for the categories of staff at risk, staff will need to be selected for compulsory redundancy.
- 3.2 Where there are several employees in similar posts, and only some of them are to be made redundant, those to be dismissed shall be selected on the basis of fair and reasonable criteria, ensuring that staff are not discriminated against on the grounds of age, sex, race, disability, gender reassignment, marital status, religion or belief, sexual orientation, pregnancy and maternity or part-time status.
- 3.3 The selection criteria will, in the first instance examine the breadth and range of an employees skills and experience. This will help retain a balanced workforce across the council. The selection methods and criteria are set out in the councils Allocation and Selection to posts policy.
- 3.4 Further selection criteria may include consideration of the following:
- job performance
  - length of service
  - attendance record
  - conduct
- 3.5 Specific selection methods and criteria will be decided on, agreed and applied as part of the consultation process in the event of a redundancy situation in consultation with the Unions.
- 3.6 Voluntary redundancies will always be considered by the authority. However, the possible current and future contribution of volunteers and the needs of the council will also be taken into account. The council therefore reserves the right not to accept a volunteer's request for redundancy, if to do so would mean the loss of valued and necessary skills and experience.

**4. REDUNDANCY CONSULTATION**

- 4.1 Appropriate consultation will take place with UNISON and GMB Trade Union representatives in respect of any redundancy proposals. Individual employees will also be consulted in respect of their own particular circumstances. Trade Union representatives and individuals will be given as much warning as possible, before decisions concerning redundancies are finally made and before any action to terminate employment is taken. In addition, consultation will take place not just with those directly facing redundancy but those facing changes as a result of the proposed redundancies.

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- 4.2 Consultation should begin in good time and must begin:
- 4.2.1 At least 30 days before the first dismissal takes effect if 20 to 99 employees are to be made redundant at one establishment over a period of 90 days or less
  - 4.2.2 At least 45 days before the first dismissal takes effect if 100 or more employees are to be made redundant at one establishment over a period of 90 days or less.
  - 4.2.3 If 20 or more employees are to be made redundant, then the Department for Business, Innovation and Skills must be notified on the prescribed form HR1.
- 4.3 During the consultation period Trade Union representatives and the employees affected will be given full details of the proposed redundancies. The information given will include the reasons for the proposals and the numbers and description of employees whom it is proposed to dismiss as redundant. The Chief Executive or person authorised by him/her will arrange to meet with employees and their representatives, together with a representative from Human Resources, advising of the following:
- reasons for redundancy
  - possible timescales
  - possibilities of alternative employment
  - the proposed method of calculating any redundancy payments
- 4.4 Comments will be invited on:
- the need to make redundancies
  - ways to reduce the number of people to be made redundant
  - the selection process
  - ways of mitigating the effects of the redundancy
  - any opportunities for redeployment
  - facilities for seeking other work
- 4.5 The council will listen and give full consideration to any comments or views expressed by employees, or their representatives.
- 5. INDIVIDUAL INTERVIEWS**
- 5.1 An individual interview will be held with an employee “at risk” to discuss the redundancy situation in terms of:
- employee aspirations
  - opportunities for redeployment
  - statutory entitlements (time off, trial and notice periods)
  - estimated entitlements to redundancy benefits
  - queries that may arise relating to work or domestic situation
  - redundancy support
- Individuals will be given the opportunity to have more than one interview.
- 5.2 The interviews will be carried out by the Chief Executive or an officer authorised by him/her. A representative from the Human Resources Section will be present where appropriate. Employees may be accompanied by a trade union representative or work colleague at this meeting.

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- 5.3 Once those employees selected for redundancy have been selected, using the agreed criteria, they will be served formal notice at a meeting with the Chief Executive or the authorised officer together with a representative from Human Resources. The formal notice will state:
- redundancy calculations
  - notice period
  - final payments
  - that consultation will continue during the notice period
  - details of the additional support set out in paragraph 11
- 5.4 The Human Resources section will provide details of existing vacancies within the council.

**6. RIGHT OF APPEAL**

- 6.1 After the notice of dismissal has been issued, there is a right of appeal to the Employee Appeals Committee in respect of selection for redundancy and the way in which the procedures have been implemented. Appeals should be lodged in writing, stating the full grounds of the appeal within 10 working days of the notification of dismissal. The appeal will be heard within 15 working days or as soon as practicable after receiving the appeal. Individuals have the right to be accompanied by their Trade Union representative, or a work colleague. The employee will have an opportunity to make an oral representation to the Employees Appeal Committee meeting before a final decision is made.
- 6.2 If the employee is unable to attend the Appeal Hearing, a written representation may be made by the employee setting out his/her case. This should be presented at least 1 day before the Appeal Hearing.

**7. REDEPLOYMENT & PROTECTION ARRANGEMENTS**

- 7.1 All employees who have been given notice of redundancy will be given prior consideration for redeployment to any internal vacancies occurring, during the period of notice.
- 7.2 Where suitable alternative employment within the council is identified, an offer of redeployment will be made as soon as possible.
- 7.3 Any employee so redeployed will be given a four week trial period in their new post. If during this trial period the new post proves not to be suitable the employee will still be entitled to a redundancy payment. The trial period would normally start at the end of the notice period.
- 7.4 Employees in a redundancy situation have a statutory entitlement to reasonable time off with pay to seek alternative employment. Employees wishing to take advantage of this right should make the appropriate arrangements with their line manager.
- 7.5 When redeployed to a lower graded post, an employee will be protected on their existing salary scale and continue to receive annual pay increases and incremental progression, if appropriate, for 12 months from the date of redeployment.

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- 7.6 An employee will be paid at the top of the grade of the lower grade post when redeployed.
- 7.7 At the end of this period the protection will cease and the employee will then be paid a salary in accordance with the grading of the post to which they have then been redeployed.
- 7.8 Where an employee transfers from an essential car user post to a casual user, the lump sum will continue to be paid monthly until the next 31<sup>st</sup> March.

**8. NOTICE PERIODS**

- 8.1 Employees are entitled to formal redundancy notice as set out in *s86 of the ERA 1996*, as shown in the chart below, unless the contract of employment provides for a greater period.

<b>Length of continuous service</b>	<b>Notice required</b>
One month – two years	One week
Two – three years	Two weeks
Each additional year	One additional week
Twelve years plus	Twelve weeks

- 8.2 Employees under notice of dismissal may wish to leave the council before the expiry of their notice period. They are still deemed to be dismissed due to redundancy, but the date of termination will be the date of their counter notice
- 8.3 Depending on the circumstances, the council may waive its right to insist on staff working their notice and instead the employee would be placed on garden leave until the expiry of their notice.

**9. REDUNDANCY PAYMENTS**

- 9.1 An employee with two years' continuous service who is dismissed by reason of redundancy is entitled to compensation by way of a statutory redundancy payment.
- 9.2 Redundancy calculations are based upon an employee's actual week's salary i.e. without the statutory ceiling, based upon the number of weeks as defined in the Employment Relations Act 1996. This provides for a maximum calculation of up to 30 weeks depending upon age and length of service.
- 9.3 Length of service will be based on the aggregate of all continuous service with local authorities and other specified bodies scheduled in the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order, 1999. Specific advice is available from the Human Resources section.
- 9.4 To calculate the number of weeks pay due, you should use the following amounts:
  - 0.5 week's pay for each full year of service where age during year less than 22
  - 1.0 week's pay for each full year of service where age during year is 22 or above, but less than 41

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- 1.5 weeks' pay for each full year of service where age during year is 41+

Some examples are given below:

Example 1 - if you are 25 with 7 years service, you will be entitled to 5 weeks' redundancy pay. The 5 weeks entitlement is based on 0.5 weeks' pay for each completed year of service between age 18 and 22 and 1 week's pay for each completed year of service between age 22 and 25. (The middle band of 1 weeks' pay only applies where an employee, who is entitled to a redundancy payment, has completed a year service at age 22 or above).

Example 2 - if you are 38 years old and have 12 years of service, you will be entitled to 12 weeks' redundancy pay. The 12 weeks is based on 1 week's pay for each completed year of service between age 26 and 38.

Example 3 – if you are 49 years old and have 15 years of service, you will be entitled to 19 weeks redundancy pay. The 19 weeks' entitlement is based on 1 week's pay for each completed year of service between age 34 and 41 and 1.5 weeks' pay for each completed year of service between age 41 and 49. This would be enhanced by 1.5 to 28.5 weeks pay.

**10. EARLIEST RETIREMENT AGE ON THE GROUNDS OF REDUNDANCY**

- 10.1 Employees dismissed on the grounds of redundancy that are aged 55 years and over at the date of dismissal and who have completed two or more years of pensionable service are entitled to the immediate payment of their pension benefits.
- 10.2 There is no discretionary power for the authority to award additional pension.

**11. Additional Support**

- 11.1 When an employee is notified of that he/she is under notice of Redundancy they will be entitled to access:
- (i) advice on preparing a CV
  - (ii) guidance on preparing for interviews
  - (iii) IT skills training
  - (iv) reasonable time off to attend interviews
  - (v) advice on pension and options available
- 11.2 A letter will be sent to the employee with the notice of redundancy and a member of the Human Resources team will direct the employee where to obtain the help and advice as set out under 11.1.
12. The Policy complies with the ACAS Code of Practice