



East Herts Council

Redundancy Policy

Policy Statement

**Policy Statement 6 (Issue No 3)
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1.0 Purpose

- 1.1 The Council, in consultation with the Trade Unions, will seek to avoid and minimise the effect of staff changes by endeavouring to find suitable alternative employment using the Council's Redeployment Procedures. Where ever possible reduction in the number of employees will be achieved through natural wastage.
- 1.2 Where compulsory redundancy is unavoidable the Council will handle the redundancy process in a fair, consistent and sympathetic manner in accordance with the Council's policy, under the requirements of the law.
- 1.3 This policy applies to all employees of the Council (except Chief Officer level and above) and takes into account relevant employment legislation, ACAS guidance and best practice. This policy does not form part of employees' terms and conditions of employment.
- 1.4 The policy will not apply where an employee's services are terminated in the following situations:
- At the end of a pre-determined limited or fixed term contract where the employee has less than two years continuous employment.
 - Retirement.
 - Contravention of an enactment (e.g. where an employee who requires a work permit does not have one).

2.0 Principles

- 2.1 The following principles underpin how organisational change will be implemented. The Council will:
- 2.1.1 Strive to avoid redundancies where possible and will always consider alternative options to achieve its objectives.
- 2.1.2 Seek to retain employees in accordance with the Redeployment Policy.

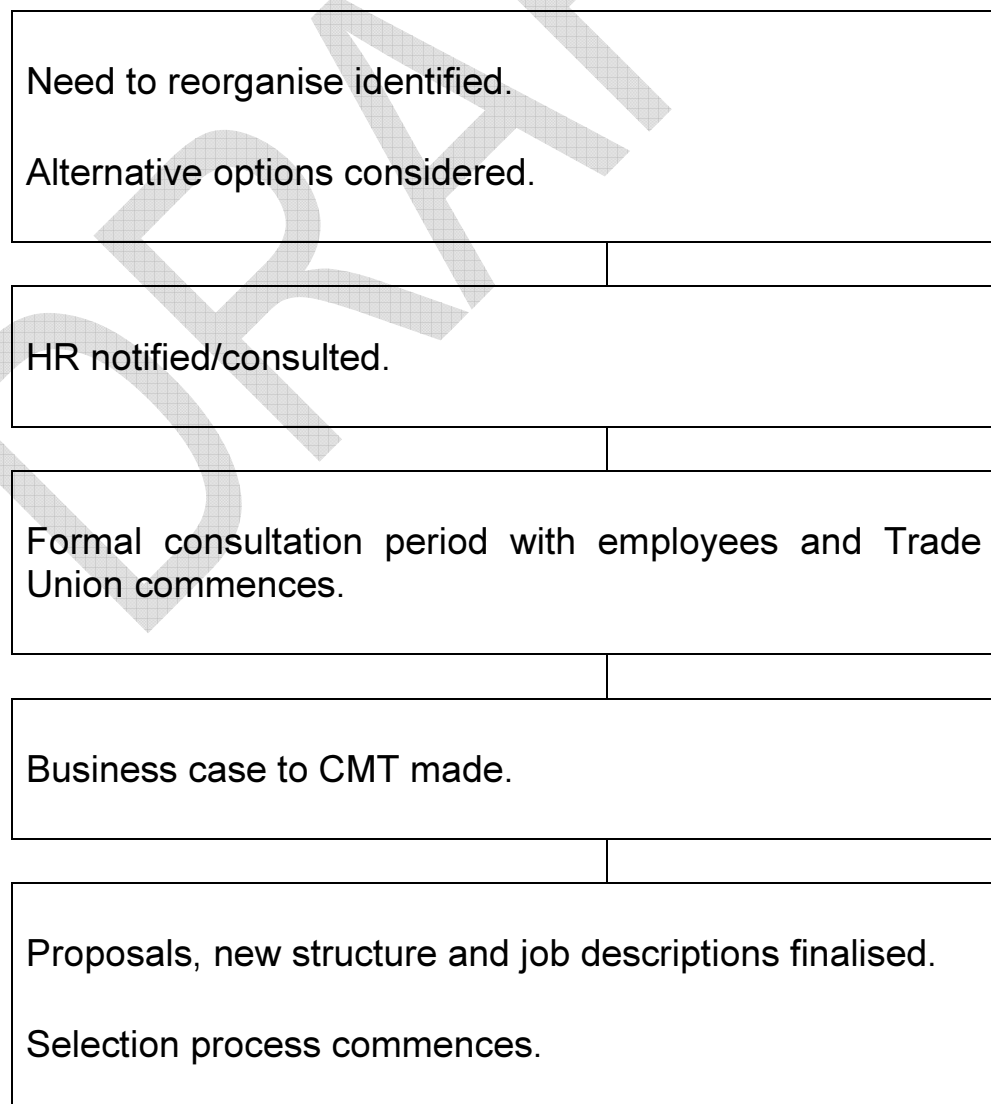
2.1.3 Seek to develop our employees to the maximum of their potential and to retain their skills within the Council wherever possible.

2.1.4 Provide a framework for the process of organisational change within which the Council's changing requirements of the workforce can be managed fairly and equitably.

2.1.5 Communicate and consult with employees and Trade Unions, keeping them informed about the changes and the implications of the changes for the Council and its employees.

3.0 An Overview

3.1 The following flowchart shows the key stages of the redundancy process:



Appointments made / redundancy confirmed.

Right of Appeal.

New structure implemented / Go Live date.

3.2 A more detailed outline of the stages and likely timescale for a service restructuring are set out in the form of a management planning tool at Appendix A.

4.0 Measures to reduce compulsory redundancies

4.1 A range of measures will be looked at to minimise the potential number of redundancies where there is the possibility of a reduction in the number of posts. Consideration will be given to the following alternative options:

- Redeployment or retraining of affected employees (in accordance with the Redeployment Policy)
- Restricting the use of outside agencies and the employment of contractors and temporary employees (where this does not adversely affect the efficient operation of Council services).
- Reduction/elimination of overtime working within the section.
- Review of working patterns, rotas and shifts.
- Exploring other options such as early retirement, voluntary redundancy (in accordance with the Council's policies).
- Restrictions on recruitment to certain posts.
- The use of temporary employees on short term contracts where the future of a service or role is uncertain.

5.0 Exploring Options

- 5.1 Having established that a business/service need has changed or a restructure is required, managers need to consider the option/s open to them to meet the needs of their service and how they might be implemented. This will include an early consideration of measures to reduce compulsory redundancies.
- 5.2 Managers are asked to arrange a meeting with HR to discuss the proposed business case, new structure and new job descriptions (where applicable). The manager should bring draft documents to this meeting.
- 5.3 HR will advise and support managers throughout the process.
- 5.4 If new job descriptions are required, these will need to be drafted by managers, with support and advice from HR. The new job descriptions will be evaluated in accordance with the Job Evaluation Policy and an indicative grade given.

6.0 Communication and Consultation

- 6.1 The Council is committed to on-going communication with employees and the Trade Union about organisational change and its processes.
- 6.2 The outcomes of change will also require communication on an individual basis. This will be facilitated by the line manager or Head of Service.
- 6.3 Communication will commence as soon as is reasonably practical and updated on a regular basis.
- 6.4 Formal consultation will commence with employees and the Trade Union on the business proposals as soon as is practical and will include the 30 days statutory consultation period required by law.

- 6.5 Consultation will provide an opportunity for employees and the Trade Union representatives to express their views and have these taken into account when alternatives are being considered as part of the decision making process.
- 6.6 The statutory consultation period where between 20 – 99 employees are to be dismissed on the grounds of redundancy is at least 30 days. The 30 day consultation period must end before the first redundancy notice is issued. (NB for 100 employees or more the consultation period must be at least 90 days).
- 6.7 Whilst the statutory requirement to commence formal consultation at least 30 days before the first redundancy notice is issued only applies if 20 or more employees are to be made redundant, there is a statutory requirement on employers to act reasonably if fewer than 20 employees are to be made redundant. In such cases the Council will therefore strive to commence formal consultation at least 30 days before the first redundancy notice is issued.
- 6.8 Formal consultation starts with the Trade Union being invited to a meeting with the Head of Service and a HR representative and being given the following information in writing:
- The reason for the proposed redundancies.
 - The number of posts affected and the likely number of redundancies.
 - The total number of similar posts within the Authority.
 - The selection criteria for redundancy.
 - The proposed method of carrying out the dismissals having regard to the agreed procedure including the period over which the dismissals are to take effect.

Formal consultation with the Trade Union must cover:

- Avoiding the dismissals
 - Reducing the numbers of employees to be dismissed
 - Mitigating the consequences of the dismissals
 - Selection criteria and method (this will include any “ring-fence” arrangements).
- 6.9 Formal consultation with employees will start with employees being invited to a team meeting and/or followed

with individual 121 meetings by the Head of Service and/or line manager. A representative from HR will also be present. The business proposals, reasons for change, proposed changes including new structure, draft job descriptions, process for selection and appointment will be discussed (if applicable).

- 6.10 Employees will have the right to be accompanied by a workplace colleague or a trade union representative during any of the 121 meetings throughout the consultation process.
- 6.11 Employees will be written to setting out the proposals and consultation process. The letter will confirm that they are at potential risk of redundancy and will detail the timescale of the process.
- 6.12 Payroll will be able to provide estimates of likely severance benefits for employees who have been told that they are at risk of redundancy.
- 6.13 Employees who are at risk of redundancy will be able to join the redeployment register early and take advantage of support available on a voluntary basis. If employees wish to explore these options they should contact HR.
- 6.14 As part of the consultation process employees will be able to request voluntary redundancy in accordance with this Policy (see 8.0).
- 6.15 Employees who wish to explore alternative working options such as early or flexible retirement; flexible working such as reduced hours should discuss this with their line manager and/or Head of Service as part of the consultation process (in accordance with the Council's policies).
- 6.16 Further consultation meetings with employees and Trade Union representatives will be held as necessary.

7.0 Obtaining Formal Approval for Proposals

- 7.1 Following the end of the consultation process, a report should be submitted for approval in principle by the Corporate Management Team (CMT).

- 7.2 A copy of the report will be given to employees and the Trade Union at least 5 working days before the submission deadline for the report, so that they may comment on its proposals.
- 7.3 The report will include the comments and feedback received by employees and the Trade Union during the consultation process (if applicable).
- 7.4 Should the Trade Union wish to submit a written summary as an appendix to the report, this must be sent to the Head of Service and a copy to HR before the submission report deadline.

8.0 Voluntary Redundancy

- 8.1 Part of the consultation process will include deciding if it is appropriate to ask employees if they want to volunteer for redundancy. When making this decision the points to consider are:-
- Is the manager seeking a reduction in the number of employees;
 - Retention of skills to deliver services;
 - Organisational priorities (and the skills that are needed to deliver these)
 - Cost of redundancy versus redeployment.
- 8.2 Applications for Voluntary Redundancy can be made at the Formal consultation stage and/or formally when employees will be asked to respond to the provisional letter sent after the formal consultation ends.
- 8.3 Voluntary redundancy may be available:
- If the employee is part of a ring fence in an area where there is significant pressure for available posts such that individuals within that ring fence may ultimately be declared 'at risk' of redundancy; and
 - If the employee's release presents no specific problems for continuity of services;
 - If the employee's release presents no specific problems in relation to the need to retain an

appropriate balance of skills and experience in the new structure;

- In the context of all of the above, the employee's release is affordable for the Service and the Council.

8.4 Employees that are interested in exploring voluntary redundancy will be provided with an estimate of the redundancy payment that will be payable on receipt of a written request. Employees aged 55 or over, will also receive an estimate for any retirement benefits if they are a member of the local government pension scheme.

8.5 Applications for voluntary redundancy will only be approved if it is considered to be in the Council's interest. There will be no right of appeal against a decision not to grant an application for voluntary redundancy.

8.6 Employees whose voluntary redundancy has been accepted will be given notice as detailed in section 13.1.

8.5 Employees may submit a request for an early release date to their Director of service. If a leaving date is agreed before the end of the contractual notice period, no payment of lieu of notice will be made.

9.0 Appointing Employees to the New Structure and Selection for Redundancy

9.1 Guidelines on the appointment and selection process should be followed by Managers in conjunction with this Policy (Appendix B: Appointment & Selection Process).

9.2 In cases where selection is required a management selection process may be used (Appendix C: Management Selection Matrix).

10.0 Redundancy Payment Calculation

10.1 Employees must have 2 years continuous service with East Herts Council to qualify for a redundancy payment.

10.2 In calculating entitlement to, and the amount of, redundancy payment the Council must count all continuous

local government service (and with other specified bodies) up to a maximum of 20 years.

- 10.3 For employees that have two jobs with the Council. Where they are made redundant from both jobs simultaneously their redundancy entitlement will be based on local government service (as stated in 10.2). If they are made redundant from one job their redundancy entitlement will also be based on their local government service (as stated in 10.2). If they are subsequently made redundant from their second job their redundancy entitlement will be calculated on their local government service provided the hours in that role have not increased. If they have increased their hours since last being made redundant or taken on another role within the authority the redundancy entitlement for the extra hours/new role will be calculated on their length of service in that role, not on their local government service.
- 10.4 The Council uses the Government's Department for Business Innovation and Skills (BIS) statutory redundancy pay calculation but increases the statutory multipliers of 0.5, 1 and 1.5 weeks by 2.6.
- 10.5 BIS use the following figures in their Statutory Redundancy Reckoner table:-
- 0.5 week's pay for each full year of service where age during year is less than 22
 - 1 week's pay for each full year of service where age during year is 22 or above, but less than 41
 - 1.5 weeks' pay for each full year of service where age during year is 41+.
 - The maximum number of years service with one employer that can be used to calculate redundancy is 20.
 - The Government sets out a statutory entitlement for weekly pay. The limit changes annually in line with the retail prices index (up or down) as appropriate.
 - The Council uses actual weekly pay for the purposes of redundancy payment calculations.
- 10.6 A copy of the statutory redundancy reckoner table can be found on the [Direct Gov website](#)

- 10.7 Estimates of possible severance payments should be requested from HR.
- 10.8 Employees over age 55 can apply for immediate payment of accrued pension on dismissal for grounds of redundancy.

11.0 Appeals

- 11.1 Employees will have the right to appeal in accordance with the Council's Appeal Policy on the following grounds:
- Their post is not redundant
 - They believe they should have been slotted in/ring fenced for a post
 - That the selection criteria during interview / management selection were unfairly applied
 - The post is not a suitable alternative
- 11.2 Employees will not be confirmed in post and notices of dismissal will not be sent until all appeals on slotted in/ring fenced or selection criteria have been heard as they may impact other employees.
- 11.3 Appeals against redundancy will be heard during an employee's notice period.

12.0 Suitable Alternative

- 12.1 The term "suitable alternative" derives from redundancy law, which dictates that if an employee is made redundant from a job, but an employer offers suitable alternative employment, the employee is bound to accept it, or leave and forgo any redundancy payment.
- 12.2 In considering whether employment is suitable, account will be taken of the employee's old job, earnings in the old and proposed posts, status of the post and the employee's training, qualifications and skills. It should be noted that some difference between the two posts would not necessarily make the proposed post unsuitable. However, the extent of the change is what is relevant, and that can only be judged in the particular circumstances.

13.0 Notice Periods

13.1 Employees who are made compulsorily redundant will be given a minimum of 12 weeks notice of termination of employment, regardless of their actual statutory or contractual entitlement to enable them to make full use of the Redeployment Procedure and identify alternative employment within the Council. (N.B. If the member of employees has a contractual entitlement to more than 12 weeks notice they will receive their contractual entitlement.)

13.2 Employees whose voluntary redundancy has been accepted will be given the same notice period as set out in 13.1.

14.0 Redeployment

14.1 Full details of the application of the Redeployment Procedure to employees under notice of redundancy are set out in the Redeployment Policy.

15.0 Counter Notice

15.1 If an employee finds employment with another employer during their notice period they may wish to terminate their contract earlier than the date on which their notice will expire. To do this they have to give the Council written notice to terminate the contract early; this is known as "Counter Notice".

15.2 The Council will, in the majority of cases, agree to such requests. There are, however, some specific employment law considerations that will need to be taken into account and managers who receive a written counter notice must contact HR for advice.

16.0 Trial Period

16.1 Employees under notice of redundancy have a statutory entitlement to a four-week trial period in a job offered as suitable alternative employment. The trial period allows

both the employee and the employer to assess the suitability of the offer of alternative employment.

16.2 The statutory four-week trial period may be extended only for the purpose of training the employee to do the job and the length of the trial period must be determined at the outset. The Trial Period can only be extended once it has been started by mutual consent.

16.3 Where the trial period is successful, the employee will not be entitled to receive a statutory redundancy payment, as there will have been no termination of employment and hence no redundancy. If, during or at the end of the initial agreed trial period, either the employer or the employee concludes that the job is not suitable for the employee, the position reverts back to that of redundancy and the employee's employment will terminate (assuming no other suitable alternative job is available). The employee will need to demonstrate why they cannot with suitable training, undertake the role. The date of the redundancy for the purposes of calculating statutory redundancy pay in these circumstances is the date on which the employee's original job ended, and not the date of termination of employment after the trial period.

16.4 The trial period can last beyond the date of dismissal and, if a suitable vacancy is identified very near the dismissal date, the trial period can start after the old contract has ended.

17.0 Time Off to Look for New Work or for Training

17.1 Managers must allow their employees a reasonable amount of time off to look for new employment or for training during the notice period. Requests for time off will have to be assessed on a case by case basis but some latitude should be extended to this group of employees during what is a very difficult period. HR will advise.

17.2 The sort of activities for which requests for time off will receive favourable consideration will include:

- Completing an application form
- Attending career counselling

- Registering with employment agencies
- Conducting internet searches at work
- Attending interviews.

This is not an exhaustive list.

17.3 Employees that find new employment with Local Government (or an organisation on the modification order) within 4 weeks of their termination date will be required to return their redundancy pay.

18.0 Policy Review and Amendment

18.1 This Policy shall be reviewed after two years or sooner in line with legislation and best practice to reflect the best possible level of support and management.

Key Steps in Redundancy

The following table sets out the possible actions in implementing organisational change. Not all change initiatives will involve all of the steps and larger restructurings will inevitably take longer to take through them. A major restructuring could easily take over 6 months to implement. Thinking through how your change initiative is likely to proceed will allow you to plot the likely time-line.

Key Action	Associated Actions	Likely Timescale
Need to restructure identified and alternative options developed.	<ul style="list-style-type: none"> • Define business case for changes • Identify objectives of new structure. • Identify savings and impact on employees. • Discuss proposals with HR. 	1 week to 1 month
Notify/consult HR	<p>This may have been started at the previous stage – but needs to go further. HR will need to:</p> <ul style="list-style-type: none"> • Confirm the extent of any possible redundancies and advise on any legal requirements. • Review draft job descriptions and person specifications. • Do indicative JE's to ensure that grades being sought reflect duties • Outline consultation process. • Identify any potential problems with consultation (e.g. employees on maternity leave) and identify how they will be addressed. • Discuss options for selection criteria and processes – whilst these will be subject to consultation with employees and trade union during Formal consultation, it is important for management to be clear about their preferences and the reasons for those preferences early in the process. • If management selection is the preferred option confirm the availability and quality of management information on which to base decisions using the Management Selection Criteria template. 	2 weeks to 1 month
Commence Formal consultation with employees and TU.	<p>Commence formal consultation</p> <ul style="list-style-type: none"> • Set a date for the first meeting – tie in with 1-2-1 meetings with affected employees and general employees meeting immediately following TU meeting • Send “at risk” letters to employees potentially facing redundancy. 	30 days minimum

Key Action	Associated Actions	Likely Timescale
	<ul style="list-style-type: none"> • Send s188 letter to TUs. • Invite TU reps to further consultative meetings – number of meetings will vary depending on the nature and effects of the restructuring. • Work out likely timetable for the selection process and, if redundancies seem likely, any appeals. • Consider Voluntary redundancy requests. • Ensure that all suggestions from employees and TU are responded to with explanations. 	
New structure finalised and approved	<ul style="list-style-type: none"> • Write report for CMT identifying reasons for change, proposals and costs. • Send copy of report to TU and employees 5 working days before the submission report deadline • CMT consider and approve. • New job descriptions evaluated in accordance with Policy. 	3 weeks
Finalise selection criteria and method	<ul style="list-style-type: none"> • Write to employees and trade Union on the conclusion of the consultation process. Conforming new structure, job descriptions, grades and selection process. • Consider Voluntary redundancy requests. • Follow appointment and selection process • Ensure that all employees are aware of how the selection process will operate, what the timetable is and if they need to do anything to ensure that they are considered 	1 week
Implement new structure	<ul style="list-style-type: none"> • Make selection decisions • Decide how you will manage the crossover period • Tell employees in writing • Hold meetings with employees and advise them of the outcome in writing, including rights of appeal • If appeals are received, advise HR and CE and comply with requirements for exchange of documentation before appeal hearing • Once all appeals have been heard, confirm final decisions in writing, giving notice of termination to unsuccessful employees • Determine what action is necessary to ensure that all employees are aware of their new roles in the new organisation. • Consider team-building and training initiatives necessary to maximise the potential for successful change. 	1 to 2 months