

CYNGOR SIR *POWYS* COUNTY COUNCIL
Redundancy Policy

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Cyngor Sir Powys County Council

Redundancy Policy

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Cyngor Sir Powys County Council

Redundancy Policy

1 Introduction

- 1.1 It is the policy of the Council to ensure as far as possible, security of employment for its employees. It should however, be recognised that there may be changes in economic conditions, organisational requirements and technological developments which might affect staffing needs. The Council, in consultation with recognised Trade Unions seeks to minimise the effect of redundancies including the provision of sufficient time and effort for finding alternative employment for displaced staff.
- 1.2 This policy should be used in conjunction with the Council's Redeployment policy and Management of Change policy.

2 Definition of Redundancy

- 2.1 Under the Employment Rights Act 1996, redundancy arises when employees are dismissed in the following circumstances:
 - where the employer has ceased, or intends to cease, to carry on the business for the purpose for which the employee was employed; or
 - where the employer has ceased, or intends to cease, to carry on the business in the place where the employee was employed; or
 - where the requirements of the business for employees to carry out work of a particular kind have ceased or diminished or are expected to cease or diminish; or
 - where the requirements of the business for employees to carry out work of a particular kind, in the place where they were so employed, have ceased or diminished or expected to cease or diminish.
 - Redundancy may also arise where the Council no longer has the resources to maintain employees to carry out work of a certain kind.

3 Procedure

- 3.1 Any redundancy situation or restructuring that results in significant changes to the employment terms of up to five employees will need to be authorised and signed off by the Head of Service.
- 3.2 Any redundancy situation or restructuring that results in significant changes to the employment terms of more than five employees will need to be authorised and signed off by Head of Service, Strategic Director and Portfolio Holder.
- 3.3 There is a Redundancy Procedure Timetable at Appendix 1 for managers to follow when planning restructures that may result in redundancies.

4 Consultation

- 4.1 Powys County Council recognises the need to work with employees and Trade Unions in Partnership and on an informal basis wherever possible. Therefore it is appropriate for recognised Trade Unions to be informed of potential redundancies in advance of formal consultation commencing. This will usually also include a copy

of the business case etc, detail covered in section 4.5 at least a week before formal consultation commences.

- 4.2 There must be robust engagement with staff and the recognised Trade Unions on all restructure proposals that may result in redundancies. The following formal consultation periods must be observed where the business case relates to redundancies based on the following:
- 90 days where 100 or more redundancies are proposed;
 - 30 days if between 20 and 99 redundancies are proposed;
 - Proposed reductions of less than 5 employees can have a locally agreed shorter period of consultation of less than 30 days but no less than 5 working days.
- 4.3 Restructurings that may collectively result in reductions of 100 or more employees must be subject of collective consultation. The mechanism for collective consultation is through the Council's Joint Committee for Negotiation and Consultation (JCNC) and will be led by HR.
- 4.4 Consultation should precede any decision to terminate employment on the grounds of redundancy. Consultation must take place between the Council, Trade Unions and employees. The lead manager for the restructure will arrange and lead an initial consultative meeting with representatives from the recognised Trade Unions. The meeting will be arranged at a mutually convenient time.
- 4.5 The lead manager for the restructure will provide written details to Trade Unions outlining matters for discussion and will include the following information (at least a week before pre-consultation meeting):
- the reason for the proposed redundancy (ies);
 - the number and categories of employees who are expected to be affected;
 - the total numbers in each category of employees employed at the establishment concerned;
 - confirmation of discussions on appropriate selection criteria with Trade Unions;
 - the proposed method of carrying out the redundancies, with due regard to the period over which the redundancies are to take effect;
 - suggestions on selection criteria;
 - a copy of the Equality Impact Assessment for the restructure;
- 4.6 A pre-consultation meeting will be arranged by the lead manager & HR with union representatives. The purpose of this meeting is:
- to discuss reasons for potential redundancies;
 - to consider ways of avoiding redundancies;
 - to discuss and agree the selection criteria should it remain necessary to make redundancies after the consultation period;
 - to discuss the restructure timetable and agree dates for meetings.
- 4.7 Detailed notes should be taken of this meeting and confirmation of the outcomes placed in writing to the relevant Trade Unions.
- 4.8 Formal Consultation will commence with employees at the earliest possible opportunity following the pre-consultation meeting.

- 4.9 The consultation process with employees will be led by the lead manager, who should arrange these meetings as a group in the first instance, with an opportunity for individual to request a one to one session with the manager during the consultation period. Employees should be advised that they have the right to be represented by a Trade Union official at any consultation meeting.
- 4.10 A HR Advisor should be present at all the group consultation meetings. Written notes of these meetings should be made and all employees should sign to confirm their attendance at the meeting. If an employee cannot attend they should be sent a written record of the meeting.
- 4.11 At the group consultation meeting, employee(s) should be advised of the following:
- reasons for the redundancies;
 - the nature of the formal consultation period in which the employee has an opportunity to offer comments/thoughts/ideas etc. on ways of avoiding redundancies;
 - the criteria to be used to select staff for redundancy;
 - they have the opportunity to raise any questions they have on any aspect of the consultation or the reasons and process for the redundancies;
 - the ways in which the Council will be trying to avoid redundancies such as redeployment/other measures;
 - that there will be a right of appeal if the consultation results in staff reductions and they are selected for redundancy;
 - that they may arrange further meetings as necessary to ensure that all relevant avenues are explored to avoid redundancies.
- 4.12 Following these meetings, written confirmation will be sent to each employee confirming the points discussed and advising them of the date that the consultation period finishes.
- 4.13 Once the formal consultation period ends all employees that have been consulted with will be written to and informed whether the proposals have been changed following consultation. They will also be given a copy of anonymised comments and responses to comments raised during the consultation.

5 Measures to avoid compulsory redundancies

- 5.1 Measures to avoid compulsory redundancies will include:
- seeking volunteers;
 - voluntary reduction in hours, including cessation of overtime working;
 - job sharing;
 - natural wastage;
 - making details available of any early retirement or voluntary redundancy package that may be available;
 - early restriction on recruitment and non-replacement of posts;
 - redeployment within the Council
 - re-training of employees to meet requirements of vacant posts internally (as reasonable/ proportionate)

5.2 Further guidance on redeployment may be found in the Redeployment Policy.

6 Selection Criteria

6.1 When deciding which employees should be considered for selection for redundancy, the department must first establish the "pool" from which the 'at risk' selection is to be made taking into consideration factors such as whether:

- other employees are effectively doing the same job as those initially selected;
- all appropriate locations have been taken into consideration.

6.2 Once the pool has been established, the department must apply the Redundancy Selection Criteria as detailed in Appendix 2A, using the form attached at Appendix 2B.

6.3 The criteria will be provided to all staff 'at risk of redundancy' for comment during the consultation process. The selection criteria will be based on the necessity to maintain a balanced workforce that has the appropriate skills and flexibility to ensure the continued success of the service after the redundancies have taken place.

6.4 Criteria to be used for selecting staff for redundancy are described below.

6.5 Skills and Qualifications

This focuses the service on the retention of a balanced workforce which means that objective selection criteria related to departmental needs are required. Employees should be able to see what criteria are being used and how they are to be applied. Formal qualifications and advanced skills can also be considered, where they are of direct relevance to future service provision and/or skill-mix requirements.

Distinction should be made in this area between those qualifications that are essential for the role and those that are desirable. This will be based on the proposed job description for the role.

6.6 Standard of Work Performance and Aptitude

The department must be able to show that there is objective evidence to support a selection based on this by criteria, as demonstrated by following the procedures for managing performance-related matters.

This may include penalties from formal performance capability hearings, where they are still in time; informal performance action plans; and employee review and development feedback documentation;

6.7 Attendance Records

It is imperative that appropriate records have been maintained in order to use this criterion. On no account should the department take into consideration absence occasioned by pregnancy or childbirth when calculating absence. Similarly, account

should not be taken of any absences which are as a result of an employee's recognised disability or industrial injury.

The department must be able to show that there is objective evidence to support a selection based on this by criteria, as demonstrated by following the procedures for managing ill-health and attendance matters.

6.8 Disciplinary Records

Only current disciplinary records should be taken into account. Expired disciplinary warnings should not be considered. It is appropriate to consider informal supervisory support plans but only where they were written 12 months or less prior to consultation.

The department must be able to show that there is objective evidence to support a selection based on this criterion, as demonstrated by following the procedures for managing disciplinary matters.

6.9 Applying the criteria

The Equalities Act 2010 applies in all cases of organisational change and redundancy situations. As such, any factors that would prevent one group of people unjustifiably meeting redundancy selection criteria more easily than others should be avoided. In addition, any employee who is engaged in asserting a statutory right, for example, requesting flexible working, whistleblowing or acting as a Trade Union representative, should not be selected for redundancy on the basis of asserting that right. To avoid doubt, advice should be sought from Human Resources.

Further details of equality impact assessments and the respective guidance and forms can be found at intranet [page 1645](#).

Employees selected for redundancy have a right of access to the records that established their selection for redundancy.

7 Avoiding Compulsory Redundancy

7.1 The Council is required to consider and respond to all proposals to avoid compulsory redundancy in a reasonable and proportionate way.

7.2 Methods the Council will utilise to avoid compulsory redundancy include those outlined below;

7.3 Seeking Volunteers for Redundancy and/or Early Retirement

7.4 Whilst applications for voluntary redundancy may be considered, such applications will be subject to, and based upon the requirements of the service. In the first instance, volunteers for redundancy will be requested and details of redundancy payments (and where appropriate, pension benefits) will be made available.

7.5 If asking for volunteers attracts more interest than required, or employees from essential service areas express an interest in voluntary redundancy, or employees with specific skills that the Council would need to retain express an interest in voluntary redundancy, then the Council has the right not to accept an employee's

request.

- 7.6 Employees wishing to be considered for early retirement should seek guidance from the Pensions Manager and refer to the Council's policy on Early Retirement.
- 7.7 Heads of Service may consider requests for bumped redundancies. In these circumstances, employees may volunteer for redundancy to make way for employees with transferable skills whose role may be identified as compulsorily redundant and who do not wish to leave the employment of the Council.

7.8 Redeployment

The Council has a Redeployment policy that sets out the approach that should be taken with employees who face a possible redundancy situation. Reference must be made to this policy to avoid unnecessary redundancies and retain the skills invested in valuable employee resource.

8 Notice Periods

- 8.1 Unless the employee's contract of employment states otherwise, the statutory period of notice is as follows:
- One month or more but less than two years service – One week notice;
 - Two years or more but less than 12 years service – One week's notice for each year of continuous employment;
 - Twelve years or more service – Twelve weeks notice
- 8.2 For the purpose of assessing service, any continuous service from previous authorities will be counted.
- 8.3 The notice of redundancy must be issued at the Statutory Dismissal (Redundancy) Interview and confirmed in writing to each individual affected including the following details:
- reasons for the redundancy
 - effective date of redundancy
 - redundancy payment and how that has been calculated
 - right of appeal
- 8.4 If an employee leaves early without serving the requisite notice or without the Council's agreement then this counts as a resignation and the employee may lose the right to a redundancy payment. Guidance must be sought from the HR department in such instances.

9 Appeals against Redundancy

- 9.1 An employee of the Council wishing to appeal against selection for redundancy should do so in writing to the Head of HR within 10 working days of receiving written notification of the redundancy.
- 9.2 Appeals against redundancy will be heard by an Appeals Panel consisting of Elected Members of Employment Committee with due training. They will be

advised by a HR Adviser in the appeal.

- 9.3 The Appeals Panel will hear the appeal as soon as practicably possible. Generally, this will be within 15 working days of registration of the appeal with the Head of HR. However, it must be recognised that in some cases there may be delays on either side.
- 9.4 The employee shall be given not less than 15 working days' notice of the date of the hearing and may call witnesses and produce documents relevant to the appeal. All documentary evidence produced at appeal will be made available to all parties. The procedure to be followed at the Appeals Panel is outlined in the Council's Disciplinary policy.
- 9.5 The grounds for an appeal may include:
- the selection procedure used
 - the application of the procedure
- 9.6 Where the appeal is not upheld, the employee will be informed in writing within 5 working days of the hearing and the panel will then notify the employing department of the decision.
- 9.7 Council employees are entitled to be represented by a fellow colleague or Trade Union representative at any stage of their respective appeal hearing procedure.

10 Misconduct by Employees During Notice

- 10.1 If an employee is found to have breached their conduct in such a way as to justify summary dismissal, the employee loses their right to a redundancy payment.
- 10.2 The Council is thus entitled to terminate the employee's contract by reason of the employee's conduct in accordance with the Council's Disciplinary policy.

11 Assisting Employees 'At risk of Redundancy'

- 11.1 The following list is not exhaustive but gives guidance on the areas of assistance that may be given to employees whose posts have been declared redundant. Information and guidance on accessing support should be sought from the Council's Recruitment Team in the first instance.

11.2 Employment:

- redeployment register & support
- redundancy counselling
- CV writing training
- interview skills training
- advice on retraining
- circulation of internal vacancy details
- where possible, advice on external vacancies/organisations

11.3 Reasonable Time Off

An employee who is under notice of redundancy is entitled to reasonable time off during working hours to look for new employment or make arrangements for training for future employment. The employee is entitled to be paid at the appropriate contractual rate for the period of absence.

12 Redundancy Payments

- 12.1 The Council will base redundancy payments on actual pay.
- 12.2 Employees with two years' continuous service are entitled to a compensatory payment as detailed at appendix 3.
- 12.3 Employees are encouraged to apply for vacant posts both within the Council and with external organisations, including other local authorities as a way of avoiding redundancy. Prior to making any such application to other public sector organisations, consideration should be given to the relevant conditions set out in the Local Government Modification Order and how this may affect any redundancy payment and/or continuous service. Details of the Local Government Modification Order can be found at <http://www.lge.gov.uk/lge/core/page.do?pagelid=119733>.

12.4 Early Retirement/Redundancy

Those employees aged 55 or over who are made redundant will be able to access their benefits under the Local Government Pension Scheme and will also qualify for a statutory redundancy payment (at actual pay) of up to a maximum of 30 weeks, dependant on age and length of service. This is in accordance with the table at Appendix 3.

- 12.5 In circumstances where the cost of the total package (including pension strain) for an employee in the over 55 category amounts to less than that for an employee aged 54, in the under 55 category (with the same amount of service), the Council will make a payment equivalent to the difference in cost.
- 12.6 In more detail this can be explained as employees aged 55 or over at the date of redundancy are entitled to statutory redundancy compensation based on actual pay (see table at appendix 3) and access to their Pension (if scheme members). Employees under the age of 55 are entitled to redundancy compensation based on the Council scheme (see table at appendix 3). Employees who are 55 and over at the time of redundancy can access their pension early with a cost attributed to the Authority known as (pension strain). The total redundancy package inclusive of Pension strain for employees aged 55 or over on the statutory scheme will not be less than the redundancy package if the employee was under 55 and on the Council scheme. In the event of the statutory package plus pension strain being less than if the individual was under 55 the difference will be paid. This ensures equity across the scheme.

Please see the two examples given below;

Example 1 – Demonstrates a shortfall position that would be made up by the Council.

Example 2 – Demonstrates a no shortfall and therefore no “make up” is required.

Example 1			Example 2		
Age	59		Age	59	
Length of Service	20 Years		Length of Service	22 Years	
Salary	£53,173.00	£1,019.76	Salary	£21,519.00	£412.69
Statutory Weeks	29		Statutory Weeks	29	
Statutory Redundancy Payment	£29,573.04		Statutory Redundancy Payment	£11,968.01	
Pension Strain	£13,654.89		Pension Strain	£14,815.81	
Total	£43,227.93		Total	£26,783.82	
Council Redundancy Scheme Weeks	45		Council Redundancy Scheme Weeks	45	
Council Redundancy Payment	£45,889.20		Council Redundancy Payment	£18,571.05	
Shortfall	£2,661.27		Shortfall	£0.00	
Total Package Due			Total Package Due		
Pension Strain	£13,654.89		Pension Strain	£14,815.81	
Redundancy Payment	£32,234.31		Redundancy Payment	£11,968.01	
Total	£45,889.20		Total	£26,783.82	

12.7 Where voluntary redundancy has been granted, accrued pension rights in the Local Government Pension Scheme will be frozen and inflation-proofed against the Consumer Prices Index. These ‘preserved benefits’ may be transferred, at any time before age 65, to another tax approved pension arrangement. Alternatively, pension benefits in the Local Government Pension Scheme may be drawn from age 60 (with actuarial reductions) or from age 65 unreduced.

PROPOSED REDUNDANCY TIMELINE & DEADLINES - (SERVICE NAME)**(PROPOSED DATE OF) redundancy**

ACTION	Date (s)
Business Case Report to Head of Service and/or Director and Portfolio Holder for ratification of restructure process (dependent on whether less or more than 5 posts are at risk of redundancy and/or change).	
Business Case and associated paperwork forwarded to Trade Unions at least a week before pre-consultation meeting.	
Pre-consultation meeting with Trade Unions to discuss the proposals, discuss selection criteria for any redundancies and agree subsequent meeting dates.	
Consultation meeting date arranged and letters sent confirming the VENUE and TIME. Written reasons to be sent to each individual employee affected, including copies of the business case/report and any revised job descriptions/ structures and relevant financial information.	
Consultation period commences with group meeting with staff (period is for at least 30 days, subject to reduction by local agreement for restructures affecting less than 5 people).	
Individual consultation meetings with employees (during consultation period)	To be arranged on request.
Formal Consultation period ends. Comments and feedback to be submitted to Head of Service or nominated manager by 3.30p.m.	
Head of Service or nominated manager and HR Representative to meet to consider comments received during consultation process and consider any voluntary reduction/redundancy/retirement requests from staff.	
Notes of all consultation meetings, comments received and responses given to be sent to staff.	
Where redundancies are still progressing post-consultation provide employees with selection criteria and skills audit which is enclosed in Redundancy Policy and ask them to complete.	
Deadline for completion of skills audit by all employees – 10 a.m.	
Provisional selection exercise for redundancy using skills audit and selection criteria.	
Meet with the selected employee (s) and provide written notice confirming the outcome of selection for redundancy detailing the notice, date of leaving and advice on right of appeal.	
Send redeployment questionnaire – must be returned within 5 working days	
Employee, Line Manager, Recruitment Team, & HR Advisor collectively look for redeployment options.	
Deadline for appeal	
Appeal Hearing to be arranged	As and when required
Leavers to be processed	

Redundancy Selection Assessment

Heads of Service are strongly advised to seek advice from Human Resources regarding consistency and fair application of this assessment, and of potential costs before finalising any decisions regarding which individuals are selected for redundancy.

Volunteers

If an employee is volunteering for redundancy/retirement and that volunteer will save a redundancy situation, there is no need to complete the remainder of the assessment. Should the department find, however, that there are too many volunteers or they are in areas where reductions cannot be made, then the assessment will need to be completed.

Skills/Qualifications

The person specifications for the positions that are available will highlight both essential and desirable skills.

Ranking:

- 08: meets the full person specification for both essential and desirable skills
- 06: meets the full person specification for essential skills
- 04: meets at least 75% of the person specification for essential skills
- 02: meets at least 50% of the person specification for essential skills
- 00: meets less than 50% of the person specification for essential skills

Disciplinary Record

Only current warnings may be considered. Performance and disciplinary matters must have been managed in accordance with the Council's Disciplinary Policy.

Ranking:

- 06: no warnings on file
- 04: Informal Supervisory Support (No more than 12 months old)
- 02: first written warning
- 00: final written warning

Standard of Work Performance

Scorings in this area must be evidenced through ER&D's, 1-1's, and action plans, where appropriate.

Ranking:

- 08: excellent
- 06: above average
- 04: average
- 02: below average
- 00: poor

Sickness Absence

Do not include maternity related absences or absences relating to an employee's disability. Attendance and sickness-related issues must have been managed in accordance with the Council's Attendance Management policy, with supporting documentary evidence.

Ranking:

- 08 has had less than five days sickness absence in the past year
- 06 has had more than five days sickness absence in past year but less than 04
- 04 has had four cumulative weeks absence during the past year or one long term absence of eight weeks or more during the past year.
- 02: has had periods of absence in excess of 04 above.

SELECTION CRITERIA PRO FORMA

Name:		
Post under consideration:		
Skills, Knowledge and Experience (Identified from the Job Description and Person Specification)		
•	Ranking: 08: meets the full specification 06: meets essential skills 04: meets 75% of specification 02: meets 50% of specification 00: meets less than 50% (Please rank each individual bullet point)	Scoring:
Qualifications (Identified from the job Description and Person Specification)		
•	Ranking: 08: meets the full specification 06: meets essential skills 04: meets 75% of specification 02: meets 50% of specification 00: meets less than 50%	
Standard of Work Performance and Aptitude (Identified from Employee Development reviews and/or 1-2-1 supervision notes)		
(Management comments discussed at the 1 to 1 meeting)	Ranking: 08: excellent 06: above average 04: average 02: below average 00: poor	
Disciplinary Record (Identified from Personnel Records)		
(to be provided at the 1 to 1 meeting)	Ranking: 08: no warnings on file 06: Informal Supervisory Support 04: first written warning 02: final written warning	
Attendance Record (Identified from Personnel Records)		
(to be provided at the 1 to 1 meeting)	Ranking: 08: less than 5 days sickness absence 06: has had more than 5 days sickness but less than 04 04: has had 4 cumulative weeks absence or one long term absence of 8 weeks or more in the past year 02: has had periods of absence in excess of 04	
Total Score		

Selection process undertaken by:

.....
(Signature).....
(Name in print).....
(Date)

Redundancy Payments Ready Reckoner

55 years and over

Service (Years)																			
AGE	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
55	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28
58	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
61+	3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30

Department for Business, Innovation
and Skills

Up to 55 years
(or over 55 and not in the pension scheme)

<u>Length of Continuous Local Government service</u>	<u>Number of weeks' Redundancy Pay</u>
2	4.5
3	6.75
4	9
5	11.25
6	13.5
7	15.75
8	18
9	20.25
10	22.5
11	24.75
12	27
13	29.25
14	31.5
15	33.75
16	36
17	38.25
18	40.5
19	42.75
20	45