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# Redundancy Policy



Council of the  
ISLES OF SCILLY

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April 2024

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## REVISIONS TO SOURCE DOCUMENT

Version	1.7	Approving Committee	
Date	17/04/2024	Ratified by Council	Yes
Responsible Officer	Head of HR & Workforce Planning	Review Date	April 2025

## VERSION HISTORY

Date	Version	Author/Editor	Comments
June 2014	1.0	HR+OD Manager	Initial policy
19/05/15	1.1	LJW	Reformatted policy
16/08/16	1.2	SO: SS	Amended statutory cap at paragraph 10.2
25/01/17	1.3	SO: SS	Inclusion of Process Flowchart at Appendix 2
04/04/17	1.4	SO:SS	Change to statutory pay cap
04/05/20	1.5	SO:HR	Change to statutory pay cap
12/04/2022	1.6	Head of HR & Workforce Planning	Change to statutory pay cap
17/04/2024	1.7	Head of HR & Workforce Planning	Change to statutory pay cap

## EQUALITIES IMPACT ASSESSMENT RECORD

Date	Type of Assessment Conducted	Stage/Level completed (where applicable)	Summary of Actions Taken Decisions Made	Completed by.	Impact Assessment Review date

## DOCUMENT RETENTION

Document retention period	
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### Law relating to this document

Employment Rights Act 1996  
Trade Unions and Labour Relations (Consolidation Act 1992  
Working Time Regulations 1998 (SI 1998/1833)  
Equality Act 2010

## INTRODUCTION

- 1.1 Although the Council's policy is to avoid redundancies wherever possible, the needs of the organisation may from time to time require a reduction in the overall number of staff employed or organisational changes that result in some employees being made redundant.
- 1.2 Where this is necessary, the Council will ensure that:
  - The total number of redundancies made is kept to a minimum;
  - Employees and, where appropriate, their representatives are fully consulted on any proposals and their implementation;
  - Selection for redundancy is based on clear criteria that will, as far as possible, be objectively and fairly applied;
  - Every effort is made to redeploy or find alternative work for employees selected for redundancy; and
  - Support and advice is provided to employees selected for redundancy to help them find suitable work when their employment comes to an end.

## MINIMISING REDUNDANCIES

- 2.1 In order to minimise or avoid potential redundancies, the Council will consider the following measures:
  - Natural wastage
  - Restrictions on external recruitment
  - Retraining and redeployment to other parts of the organisation if reasonable and appropriate
  - Reduction or elimination of overtime
  - Seeking applicants for early retirement or voluntary redundancy
  - Voluntary reduction in hours
  - Termination or reduction of the employment of temporary or contract staff

## NOTIFICATION AND CONSULTATION

- 3.1 Where it becomes necessary for the Council to consider redundancies, management will notify employees at the earliest possible opportunity of the reasons for the potential redundancy situation and of their proposals. This will be done by consulting employees and employee representatives directly.
- 3.2 Council wide statutory consultation with the lead representatives of the trade unions will begin:
  - At least 30 days before the first notice of dismissal takes effect if 20 to 99 employees are to be made redundant at the Council over a period of 90 days or less

- At least 45 days before the first dismissal takes effect if 100 or more employees are to be made redundant at the Council over a period of 90 days or less.
- Where less than 20 employees could be made redundant, there is no statutory consultation period, but sufficient time should be given to allow for meaningful consultation to occur.

The statutory period will be calculated from the first communication of the potential need for redundancies to the trade unions, to the end of the first notification of redundancy.

3.3 During consultations, employees or their representatives will be provided with full information about the proposed redundancies, and will be given adequate time to respond. Information provided will include:

- The reasons for the proposed redundancies
- The numbers and categories of employees who may be redundant
- The proposed method of carrying out any redundancy dismissals
- The time period over which the redundancies may be carried out
- The proposed methods of calculating redundancy payments.

3.4 The objectives of consultation will be to:

- Reach agreement with employees or their representatives on the above issues
- Avoid the need for redundancies where possible
- Reduce the number of employees who are to be made redundant to a minimum
- Determine the criteria to be used to select employees for redundancy
- Mitigate the consequences of any dismissals.

Individuals or groups of staff should also be consulted on proposals which affect them, to allow the opportunity for them to provide feedback and alternative suggestions.

3.5 If at the end of consultation redundancies are still unavoidable, positions will be selected for redundancy based on clear criteria that will, as far as possible, be objectively and fairly applied.

3.6 Statutory notice of redundancy can only be issued to employees at the end of the consultation period.

## SELECTION PROCEDURE

4.1 Selection for redundancy will be made on the basis of objective criteria, which will be reasonably, fairly and consistently applied. If there is a potential need to make redundancies, one or more redundancy selection pools should be identified. Each pool should contain all employees carrying out the same or similar roles, and should be clearly defined in order to include all appropriate employees.

4.2 Reasonable adjustments should be made to the selection process for disabled employees, where relevant, to remove any disadvantage that they would otherwise have. Employees on maternity or paternity leave during a redundancy process may have particular

protection within employment legislation. Advice should be sought from Human Resources in these cases.

- 4.3 Situations which would not normally require selection are where there is only one unique post to be made redundant and the person in that role has specialist skills, or where an entire team, office or unit is being closed and all employees will be made redundant.
- 4.4 The appropriate manager will apply the selection criteria against each employee in the selection pool. Managers should ensure that decisions made during the scoring process are objective, fair and consistent and can be clearly supported by documentary evidence relating to the selection criteria. Examples of such criteria may include:
- Attendance record (excluding absences related to disability or pregnancy)
  - Disciplinary record
  - Skills or experience
  - Standard of work performance
  - Aptitude for work.
- 4.5 A redundancy selection matrix may be used to score against each criterion (see example in Appendix 1). The criteria used in selecting employees for redundancy will depend on the existing circumstances and the particular needs of the organisation at the time. Redundancy selection procedures must be free from discrimination under the Quality Act 2010. It is proposed that we use this selection criteria matrix in any redundancy situations, but the detail will, of course, be subject to discussion and consultation with staff and the trade unions.
- 4.6 The appropriate manager will meet individually with each employee and discuss how they scored against the selection criteria. This will be to explain the score and allow the employee to give any feedback. Employees will have the right to appeal their score in relation to the decision to make them redundant.
- 4.7 Those employees who achieve the lowest overall score(s) will be identified as being at risk of redundancy and will receive written confirmation of this decision. Interviews or other appropriate assessment may be used as well as or instead of a selection matrix to select employees for redundancy.

## RESTRUCTURING

- 5.1 A restructuring process which may affect a whole department, service or section, may be carried out through a phased implementation. Usually this would start at the top of the structure. Grades of new or changed roles will normally be indicative until confirmed through the job evaluation process.
- 5.2 The appropriate manager, in consultation with Human Resources, should determine which employees can be accommodated in the new structure. These employees will be notified.

- 5.3 Where ring fencing arrangements are in place, employees will be notified of the new structure, and to which posts they have been ring fenced. Employees would normally be ring fenced to posts up to one grade higher or lower than their current grade: however, it may not be appropriate to include all jobs within this range in ring fencing arrangements.
- 5.4 Employees will expected to apply for ring fenced roles. Appointment will be determined through appropriate selection methods including shortlisting, interviews and assessments. Employees who do not apply for potentially suitable roles *may not be eligible for redundancy pay* as these roles could be considered to be reasonable alternative positions.
- 5.5 Employees who are not successful in securing a position will be considered at risk of redundancy and redeployment should be considered. Remaining posts not filled by existing employees or ring fencing will be recruited in the appropriate manner. Where redundancies are necessary, the selection procedure should be followed.

#### ALTERNATIVE WORK / REDEPLOYMENT

- 6.1 The Council will make every effort to redeploy to suitable alternative work any employee who is at risk of redundancy. Such employees will be informed of all the available vacancies at the time of their selection and will be given an opportunity to discuss with their line manager and HR which vacancies are likely to be suitable for them. Employment will normally be deemed to be suitable where the employee meets the essential criteria of the post or could do so with a reasonable amount of training, and the terms and conditions of employment of the new role are the same or at least similar.
- 6.2 If suitable alternative employment is identified and the employee unreasonable rejects the offer of the role, or does not participate in the process adequately, they may waive their right to redundancy pay. If alternative employment is offered and refused, employee's reasons for doing so should be stated in writing. Unreasonable refusal may arise where the differences between the new and old jobs are negligible.
- 6.3 Employees under notice of redundancy have a statutory right to a trial period of 4 weeks in an alternative role where the provisions of the new contract differ from the original contract, starting when the previous contract has ended. If the employee works beyond the end of the 4 week period any redundancy entitlement may be lost as the employee will be deemed to have accepted the new employment.
- 6.4 It is initially the responsibility of the potentially redundant employee's department to assist the employee seeking suitable employment. Human Resources will provide advice and support to managers within the department to attempt to match staff to existing vacancies.
- 6.5 Should all attempts to find alternative employment be unsuccessful, employment will be terminated at the end of the notice period, or earlier (with agreement between both employer and employee). Employees can give notice to leave at an earlier date but where the employee is required to work their full notice period, they may lose their right to redundancy pay if they choose to leave earlier.

- 6.6 Employees have a separate legal entitlement to be offered any suitable alternative work that is available if they are made redundant while on maternity leave.

#### TIME OFF WORK

- 7.1 An employee under notice of redundancy with at least two years' continuous service at the effective date of termination will be entitled to a reasonable amount of paid time off to look for alternative work and attend interviews, whether external or internal. Employees wishing to take advantage of this right should make appropriate arrangements with their line manager.

#### RE-EMPLOYMENT OF REDUNDANT EMPLOYEES

- 8.1 Employees who receive an offer of employment with a body or organisation listed within the Employment Rights Act 1996 are obliged to inform us of that offer of employment. In such circumstances where employment takes effect within 4 weeks of termination of employment with the Council, the employee will not be eligible for a redundancy payment. Continuity of service will be preserved.

#### VOLUNTARY REDUNDANCY

- 9.1 In order to minimise the need for compulsory redundancies, the Council may consider requests from employees for voluntary redundancies. Whether or not additional payments will be offered in relation to voluntary redundancies will be a matter for consultation and will depend on the circumstances.
- 9.2 The Council reserves the right at its absolute discretion to decline requests for voluntary redundancy.

#### REDUNDANCY PAYMENTS

- 10.1 Redundant employees who have a minimum of two years' continuous service with the Council, or any other related body or organisation, will normally be entitled to statutory redundancy pay. In line with statutory requirements, a qualifying employee will receive:
- 0.5 weeks' pay for each full year of service where the employee's age is under 22
  - 1 week's pay for each full year of service where the employee's age is between 22 and under 41
  - 1.5 week's pay for each full year of service where the employee's age is 41 and over.
- 10.2 The maximum number of years that can be taken into account is 20 years. The statutory cap (£700 from 6<sup>th</sup> April 2024) will be lifted and an employee's actual pay will be used for this purpose instead.



## VOLUNTARY REDUNDANCY PAYMENTS

- 11.1 In cases of voluntary redundancy it is usual in some way to enhance the payments on offer in order to encourage applicants to come forward. In consultation with the Local Government Association, and in comparison with other Authorities, the enhancements can have two components.
- 11.2 First, the weekly earnings cap is removed and calculations are then made according to the statutory requirements but at actual weekly pay levels.
- 11.3 Second, the figure calculated as the redundancy entitlement is then enhanced, usually by a factor.
- 11.4 This policy gives the discretion to make these enhancements dependent on circumstances.

## REDUNDANCY NOTICE

- 12.1 Employees who are selected for redundancy must be given a notice period before their employment ends. The statutory notice periods are:
- At least one week's notice if the employee has been employed between one month and two years
  - One week's notice for each year of employment between two years and 12 years
  - 12 weeks' notice for someone who has been employed for 12 years or more.

### Work Performance Points

1. Outstanding – consistently exceeds company standards	15
2. Exceeds objectives of the role	12
3. Meets all objectives of the role	9
4. Meets some objectives of the role	6
5. Fails to meet objectives of the role	3

### Skill/Competence

1. Fully competent, multi-skilled, supports others on regular basis	15
2. Fully competent in current role	9
3. Competent in most aspects of current role, requires some supervision	9
4. Some competence in role, requires regular supervision and guidance	6
5. Cannot function without close support and/or supervision	3

### Disciplinary record

1. No record of disciplinary action	5
2. Record of informal disciplinary action	4
3. Verbal warning current	3
4. Written warning current	2
5. Final written warning current	1

### Attendance record<sup>2</sup>

1. No recorded absence	5
2. Some absence but below average for selection pool (or company)	4
3. Attendance in line with company (or selection pool) average	3
4. Absence level above average for selection pool (or company)	2
5. High/unacceptable level of absence	1

<sup>1</sup> Source: *How to manage collective redundancies*, ACAS 2013

<sup>2</sup> Employers should ignore all absences related to disability or pregnancy Working Time Regulations 1998 (SI 1998/1833)  
Equality Act 2010

## APPENDIX 2 – REDUNDANCY PROCESS FLOWCHART

### Redundancy process flowchart

Please see Redundancy Policy for complete process

