



Redundancy Policy and Procedure

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1. OVERVIEW

It is necessary for every organisation to adapt to change and this will involve changes in the number of employees and types of skills they need.

When this happens, if a reduction in employee numbers becomes necessary, the Authority would wish to communicate this clearly to the employees who are affected and to take steps to deal with the process reasonably. We will look to find ways to avoid compulsory redundancies and will consult with employees (and their recognised trade unions and/or employee representatives). Where any selection for compulsory redundancy is carried out, we will deal with this fairly, reasonably and without discrimination.

2. SCOPE OF PROCEDURE

This procedure does not apply to employees on fixed term contracts with less than 3 months continuity of service. Employees on fixed term contracts with continuity of service of more than 3 months (this can include a succession of contracts) and whose role is at risk of redundancy, should therefore be included in the relevant selection pool along with permanent employees, have the same selection criteria applied and be offered the same redeployment opportunities. Exceptions to this approach would only be made when a fixed-term employee has been recruited specifically as an interim measure pending a reorganisation.

In some instances, a restructuring can take place without the need to apply the full redundancy and redeployment procedures. This may be appropriate when there is a significant match between the existing job profile and the job profile in the new structure. Should the General Manager propose to restructure in this way, whether or not the changes can be accommodated within existing contract flexibility, they must take advice from the Authority's Human Resource (HR) advisors (currently Wandsworth's HR section) at an early stage.

Advice on managing a restructuring which cannot be accommodated within existing contract flexibility can be found in the appendix to this report.

3. AVOIDING COMPULSORY REDUNDANCIES

The Authority will always take steps to avoid compulsory redundancies before dismissing employees but, due to the small size of the current staff group, it has to be recognised that this may not be possible.

To avoid compulsory redundancies, the Authority may:

- offer suitable alternative work

- seek applicants for voluntary redundancy or early retirement
- seek applications from existing employees to work flexibly i.e. job share or reduce hours
- restrict recruitment (natural wastage)
- reduce or ban overtime

We will consult with employees and their representatives at an early stage to share ideas about alternative options that do not involve redundancy.

The manager leading the redundancy changes will be advised by the Authority's HR advisors throughout the entire redundancy process.

3.1 Offers of alternative work

Where an alternative role is found, it will be possible for an employee to try out an alternative role for 4 weeks (or more if agreed in writing) without giving up their right to redundancy pay. The trial period can be longer than 4 weeks if the employee and the Authority agree this in writing.

The offer will:

- be unconditional and in writing
- be made before the current contract ends
- show how the new job differs from the old
- be made to the employee – they will not have to apply for the new position
- require that any new position start within 4 weeks of the old job ending

If the Authority thinks that the alternative work is suitable but the employee does not choose to take it, they may lose any redundancy pay entitlement.

3.2 Voluntary redundancy

Where the Authority is planning to make redundancies, it may ask employees if they would like to volunteer for redundancy. The employee also has an option of offering (volunteering) to be made redundant. The Authority will have a fair and transparent selection process. Employees will not automatically be selected just because they apply for voluntary redundancy as the needs of the Authority will determine which employees are selected for voluntary redundancy, for example if an employee is highly skilled and experienced in their role, the Authority may need to retain them.

3.3 Early retirement

As an alternative to voluntary redundancy, the Authority may offer employees incentives to retire early. It will be the employee's decision whether to accept the offer of early retirement.

4. COMPULSORY REDUNDANCY AND CONSULTATION

Where a suitable alternative job is not available and/or the voluntary redundancy and early retirement process has not been successful, compulsory redundancy will be unavoidable.

The Authority will fully consult with affected employees and their representatives (even if they are not at risk of redundancy themselves).

Meaningful consultation will be carried out with a view to reaching agreement, including ways of avoiding or reducing the redundancies.

The manager leading the redundancy changes will arrange a one-to-one meeting with affected employees. They may need to talk to employees more than once to make sure they can respond to all suggestions or requests. Employees are entitled to bring a trade union representative or work colleague to these meetings. The discussions and outcome of the meetings should be recorded and agreed.

The consultation is an opportunity for the manager leading the redundancy changes to talk about the changes the Authority is planning and tell those affected why they are at risk of redundancy. Employees will have the opportunity to ask any questions and make suggestions on how redundancies could be reduced or avoided altogether.

5. SELECTING INDIVIDUAL EMPLOYEES FOR REDUNDANCY (IF FROM A WORK GROUP)

To decide which employees from the total group "at risk" are to be selected for redundancy, fair and non-discriminatory selection criteria will be developed. The selection criteria will be discussed with Trade Unions and employees as part of consultation, and prior to any selection taking place.

Different approaches will be relevant for different situations depending on whether there are a group of employees doing the same/similar job and the number of positions to be reduced or where a group of employees are all applying for new roles in a restructuring.

Any employees who are pregnant, on Maternity, Adoption or Shared Parental Leave, should be invited to a meeting to discuss their personal situation. They must be formally notified in the same way as any other employee. They are able to remain on maternity, adoption or family leave and to seek suitable work during their leave period, unless they are dismissed in the meantime.

Managers should keep in touch with employees on these types of leave and ensure they are considered for any potentially suitable alternative opportunities.

6. GIVING EMPLOYEES NOTICE

Once redundancy consultations have been completed, the Authority will give those employees being made redundant notice and agree a leaving date. Employees affected will receive, in writing:

- the length of their notice period
- the date the notice period starts
- whether they need to take any unused holiday before they leave
- details of payments they will receive and how the figures have been arrived at.

There will be an opportunity to appeal this decision (see section 9. below)

6.1 Notice periods

The notice period given will be based on how long employees have worked for the Authority.

Length of service	Notice provided
Less than a month	no statutory notice
1 month to 2 years	At least a week
2 years to 12 years	A week's notice for every year employed
12 or more years	12 weeks

6.2 Pay in lieu of notice

It is likely that the Authority will require employees to work until the end of the notice period (both voluntary and compulsory redundancy). However, it may allow employees to leave earlier than the planned leaving date (for example without notice) by offering payment in lieu of notice.

6.3 Notice pay

The Authority will continue to pay employees the same pay they normally receive until the end of the notice period. Employees may not be entitled to full pay during their notice period if they are on sick leave, on maternity, paternity or adoption leave etc.

6.4 Leaving earlier during the notice period

Employees can request to leave before the notice period ends, for example if they have another job to go to. Any request should be made in writing. If the Authority agrees to an earlier leave date, they will not continue to receive pay for the rest of the notice period after they leave.

If the service would be negatively impacted by the earlier leave date, the Authority can refuse the request. If the employee leaves early in these circumstances, they will be deemed to have resigned and will lose their entitlement to a redundancy payment.

7. REDUNDANCY PAY

Employees may be entitled to statutory redundancy payment. To be eligible, they must:

- have at least 2 years' continuous service
- have been dismissed, laid off or put on short-time working - those who opted for early retirement do not qualify.

The Authority also allows discretion to be exercised by the General Manager, in consultation with the Clerk and Treasurer, to enhance the statutory redundancy pay provisions detailed as follows:

- base redundancy pay on an employee's actual contractual gross weekly pay, rather than cap it at the maximum statutory limit for a week's pay multiply the statutory scale by a factor of up to 1.5.

Therefore, redundancy calculations can be based on the following formula:

$$\begin{array}{l} \text{Actual} \\ \text{Contractual} \\ \text{Gross weekly} \\ \text{Pay} \end{array} \quad \times \quad \begin{array}{l} \text{Number of weeks statutory} \\ \text{redundancy entitlement (based} \\ \text{on age and length of service –} \\ \text{see table above).} \end{array} \quad \times 1.5 = \text{Redundancy Pay Due}$$

The following factors also apply:

- The maximum years of service that can be given is 20 years (the years which count are found by starting at the date of redundancy and working back).
- Redundancy Pay is not taxable, or subject to national insurance contributions, up to a limit of £30,000. Beyond that, any payments are taxable.
- Redundancy pay will not be paid until the end of the Notice Period.

Weekly pay is the average pay earned per week over the 12 weeks before the day the redundancy notice was served.

8. TIME OFF TO LOOK FOR WORK OR ATTEND TRAINING

Once employees have been given notice of redundancy, they will be given reasonable paid time off to look for another job or arrange training. As paid time off is given to attend interviews, managers may ask to see the employee's interview letter before they approve this.

9. HOW TO APPEAL AGAINST DISMISSAL DUE TO REDUNDANCY

If an employee has any concerns about the redundancy notice issued to them, they should contact the General Manager in writing within seven calendar days of receiving their notification of dismissal to detail their concerns. The General Manager will respond, in writing, within seven calendar days.

If necessary, the Authority will arrange a meeting to discuss an Appeal. The Appeal will be heard by the Clerk and the Authority's HR Advisor or their nominee, whose

decision on the matter will be final. The employee will be permitted to have a work colleague or a trade union representative to accompany them at the meeting.

9.1 If the Appeal is accepted

The employee will be offered their job back with the same employment contract as before they were selected for redundancy.

If they have finished their notice period, they can be put back on their previous employment contract, treated as having worked continuously from the commencement date of their original contract and be paid for the time they were not at work.

In this instance, redundancy pay will need to be repaid.

9.2 If the Appeal is rejected

If the appeal is rejected, the employee will receive their due redundancy notice and pay.

ORGANISATIONAL CHANGE INVOLVING CHANGE TO EMPLOYMENT CONTRACTS

1. Some changes envisaged by management cannot be accommodated within existing contract flexibility. Such change could include restructuring of work which would result in changes to job descriptions, changing staffing structures, changing work locations, changes to elements of contractual remuneration such as contractual overtime, shift allowances, etc., proposals to outsource a service or part of a service and situations of potential redundancy.
2. Where it is proposed to make changes which will affect employees' contracts, this should be handled:
 - a) through discussion directly with the employees affected, either individually or in team briefings, as appropriate; and
 - b) in consultation with the recognised trade unions.
3. The broad principles and aims of the envisaged change should be discussed with the employees involved as early as possible. It is expected that early involvement of the employees and their representatives in consideration of such possibilities will ensure maximum influence in the formative stage, thereby reducing the potential conflict of subsequent stages in the process.
4. Consultation with employees/trade unions should continue as the detailed implementation of the change is being developed.
5. Where a proposed change cannot be accommodated within existing contracts of employment, but the proposals do not involve dismissal on the grounds of individual redundancy:
 - (a) management will identify appropriate jobs in the revised structure for individual staff bearing in mind comparability of current job duties and grade as part of the consultative exercise. Where there is little change in job content and no change in grade, staff should be matched to jobs in the new structure.
 - (b) where more than one person could be identified, competitive interviews will be held with assessment against selection criteria.
 - (c) the manager will inform employees of the proposed change and the reasons for it and try to reach agreement with each employee on new contract terms
 - (d) employees may be represented by a trade union representative or work colleague at meetings with management to this end

- (e) reasonable time must be allowed for the employee to respond
- (f) a target maximum period of 20 working days should be used for this phase
- (g) where individual agreement is not forthcoming, management will decide whether to propose ending existing contracts of employment and offering new contracts. If such a proposal is made, management will consult the employee about the proposals, keep him/her informed of progress, and remain open to the employee's agreement on the new terms. Collective consultation with the recognised trades unions will also take place. Consideration of redeployment will apply in the same way that applies to redundancy proposals.