



# **Redundancy Policy and Selection Procedure**

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## 1. Policy Statement

1.1 Wyre Council is committed to protecting the employment security of employees. However, there may be occasions when legislative changes, the demand for services, or budgetary constraints impact on staffing requirements.

Where staff cuts are inevitable the Council will manage redundancies in line with statutory requirements and good practice, and aims to minimise the adverse impact on both those employees who lose their jobs and on those remaining in employment.

This procedure outlines the approach to be adopted should be read in conjunction with the associated policies on Redeployment and Managing Restructures and Changes to Terms and Conditions.

1.2 All reasonable steps will be taken to avoid compulsory redundancies and there will be full and meaningful consultation with employees and recognised trade unions regarding any proposal for organisational change.

## 2. Consultation

### 2.1 Responsibilities

Service Directors and Heads of Service have the overall responsibility for ensuring the fair and consistent application of the Redundancy Policy. Responsibility for individual consultation lies with the relevant Heads of Service but Human Resources will take the lead in any formal consultation process.

### 2.2 Who to consult

Consultation will take place with the relevant recognised trade union(s) appropriate to the employees affected, whether or not any of the employees are trade union members. 'Employees affected' means employees who are at risk of redundancy and those affected by measures associated with the redundancies e.g. employees taking on re-allocated work.

The Head of Service will also make appropriate arrangements to consult with those who are absent from work on maternity/adoption/paternity leave, long term sickness absence, secondment, extended authorised absence etc.

Human Resources will consult with the full time official of the relevant trade unions in accordance with Section 188 of the TULRA, they will also inform the Secretary of State of its proposals under Section 193 as appropriate.

### 2.3 When to consult

The Council will normally apply the 30 days consultation period as a minimum where employees are at risk of redundancy. However statutory requirements will apply if the Council is proposing to dismiss on redundancy 20 or more employees within a period of 90 days. This means that consultation must commence

- At least 30 days before the first dismissal takes effect if 20 to 99 employees are to be made redundant 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 over a period of 90 days or less;

And

The Council must disclose the following information in accordance with procedures set down in s188(1A) of the Trade Union and Labour Relations (Consolidation) Act 1992, otherwise they may have to pay a protective award to each employee who was not properly consulted.

1. The reasons for the proposals
2. The numbers and descriptions of employees involved
3. The selection criteria to be used
4. Procedures to be used in carrying out the dismissals including the period over which dismissals are to take effect
5. The measures for minimising or avoiding compulsory redundancies.

### **3. Avoiding or reducing the need for compulsory redundancies**

3.1 When the Council believes it has, or is likely to have a need to reduce staffing levels, every effort will be made by the Council to reduce the number of possible redundancies. The Council will consider the following: -

- a) restrictions on recruitment;
- b) natural wastage;
- c) the termination of employees on agency contracts, casual and short term contracts;
- d) seeking applicants for part time working;
- e) the reduction or elimination of overtime;
- f) the retraining and redeployment to other parts of the Council;
- g) seeking applicants for early / flexible retirement or voluntary redundancy.

**However it is important that the Council retains the balance of skills and experience within service areas and teams. Consideration will only be given to volunteers for redundancy if this is not detrimental to the Council.**

### **4. Selection Pool**

4.1 This will be considered as part of the formal consultation process, however where there is a reduction in the need for employees to carry out work of a particular kind, and a number of employees are employed undertaking that work, these employees will form a pool of staff at risk of redundancy.

A formal selection process will be undertaken to determine which employees are to be made redundant. The process will seek to identify the employees from that pool with the knowledge, skills and qualities that best meet the present and anticipated needs of the Council.

### **5. Selection Criteria**

5.1 If having taken any of the above steps, the number of employees still exceeds the requirements, selection criteria may have to be applied. This would come into effect where two or more employees who hold similar jobs are at risk of redundancy.

The Council must maintain a balanced workforce, able to meet ongoing and future service and client needs. The criteria to be considered will be based on objective assessment of: -

1. Work Performance/Capability record;
2. Specific skills, essential qualifications or experience relevant to the future needs of the service;
3. Attendance record;
4. Disciplinary record;
5. Aptitude for work (additional transferable skills and experience to be considered as evidence of flexibility and approach to work that may be a relevant service need.
6. Length of service

**This criteria will be applied without discrimination.**

- 5.2 Under the Employment Equality (Age) Regulations 2006, redundancy selection processes must be free of age discrimination. For example, selecting employees for redundancy on a “last in first out” (LIFO) basis is likely to be indirectly discriminatory as this practice puts younger employees at a particular disadvantage.
- 5.3 However, selecting employees for redundancy on a LIFO basis may be justifiable in some cases if it constitutes a proportionate means of achieving a legitimate aim. It is therefore possible to consider length of service and reward loyalty and therefore, **used as one of several** criteria or a deciding factor when other factors are not decisive, LIFO may be a proportionate means of achieving this aim. The use of LIFO as the sole criterion is not advisable, if there are other factors that can be taken into account.

## 6. Alternative Work

- 6.1 The Council has a statutory duty in redundancy situations to consider whether suitable alternative employment exists. A range of factors must be taken into account when determining the suitability of an alternative position including; grade, status, working environment, terms and conditions of employment, working pattern, location etc. The employee should be given sufficient details to enable them to decide whether to accept the new role or not. Employees who unreasonably refuse an offer of suitable alternative employment may lose their entitlement to redundancy pay.
- 6.2 An employee who accepts employment on terms and conditions which differ in any material respect from their previous terms and conditions has a statutory entitlement to a four week trial period. The purpose of the trial period is to give the employee a chance to decide whether the new job is suitable without necessarily losing the right to a redundancy payment. If there is agreement that the role is not a suitable alternative, the employment ends by reason of redundancy.

Further information is to be found in the Redeployment Policy.

## 7. Support for Redundant Employees

- 7.1 During the period of notice of redundancy, employees will be entitled to reasonable time off with pay during working hours to look for new employment. The Council's permission must be obtained in advance of the absence from work. This provision is also available to employees wishing to take time off to make arrangements for training for future employment.

7.2 The Council will take any other steps as are practical to assist redundant employees to find alternative employment. Further information can be found in the Redundancy Support Procedure.

## 8. Redundancy Payments

8.1 Redundancy payments are subject to the Exit Payment Cap reform, which is currently under consultation and due to be effective from 1 January 2020. Any outcome from this affecting the calculation of redundancy payments will supersede entitlement as set out below.

8.2 The Employment Rights Act 1996 provides a basic entitlement for employees dismissed as redundant who have been continuously employed for at least two years as follows:-

- For each year of service from age 18-21 inclusive – half a weeks pay
- For each year of service from age 22-40 inclusive – one weeks pay
- For each year of service from age 41-64 inclusive – one and a half weeks pay

Reckonable service is limited to the last 20 years before redundancy.

The Council has used its discretion to base redundancy payments on an actual week's pay where this exceeds the statutory limit. For this purpose the actual week's pay will exclude the employer's LGPS pension contribution.

8.3 To qualify for redundancy pay, employees must normally work up to the date on which the notice of redundancy expires. Employees wishing to leave before that notice expires may do so, but only with the Council's prior agreement. If the agreement is given the employee will still be entitled to redundancy pay. The Council's consent will not be unreasonably withheld, but employees leaving early without the consent may lose their right to a redundancy payment.

## 9. Appeals

9.1 Where an employee believes that the selection criteria has been unfairly applied in their case, they will have the right to appeal to the Appeals Panel. The appeal must be made in writing within ten working days of being notified that they have been selected for redundancy. The Appeal must be addressed to the Head of Business Support.

## 10. Equality Impact Assessment and Monitoring

10.1 The operation of this policy will be monitored for its impact on different staff groups in line with the Equality Act 2010. This will enable the Council to assess whether any differences have an adverse impact on a particular group, such that further action would be required.

## 11. Data Protection

11.1 In implementing this policy, the Council will ensure that any personal data relating to the application of this policy will be obtained, processed and destroyed in line with the Data Protection requirements.