



REDUNDANCY POLICY

April 2021: Version 2

ABSTRACT

This policy sets out the procedures that will be followed in cases of redundancy, ensuring compliance with employment law and ACAS.

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Please think before printing this document.

Where printing is necessary, please ensure that it is printed double sided and in greyscale.

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1 Introduction

The aim of this policy is to set out the procedures that will be followed in cases of redundancy, ensuring compliance with employment law and Acas (Advisory, Conciliation and Arbitration Service) guidance.

The key factor in the legislative framework is the focus on being procedurally accurate when carrying out redundancy action; therefore, it is essential that when dealing with redundancy matters, this policy is followed.

1.1 What is this policy about?

Peterlee Town Council is committed to maximising security of employment for its employees. The Council will seek to avoid compulsory redundancies wherever possible. However, it recognises that there may be circumstances when staffing requirements change and compulsory redundancies cannot be avoided.

This policy does not form part of an employee's contract of employment and the Council reserves the right to amend or replace this policy at any time.

1.2 Who does this policy apply to?

This policy applies to all employees who are affected by a potential redundancy situation. It does not apply to agency workers, consultants or contractors.

1.3 Core principles

Where compulsory redundancy is unavoidable, the Council will handle the redundancy exercise in a fair, consistent, and sympathetic manner.

In following the redundancy procedure set out in this policy, the Council will not discriminate directly or indirectly on grounds of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation. Part-time workers and fixed-term employees will not be treated less favourably than full-time or permanent comparators.

This policy complies with the legislative framework and Acas guidance.

2 Avoiding and/or minimising compulsory redundancies

The Council will seek to avoid compulsory redundancies wherever possible. Where a reduction in the number of employees the Council employs is unavoidable, every effort will be made to minimise the number of redundancies.

Where redundancies are proposed, the Council will consult individually with all affected employees and, where appropriate, with trade union or other employee representatives.

2.1 Alternatives to redundancy

The Council will, as an initial step, consider some, or all, of the following examples as appropriate to the situation, and subject to the Council's business needs at the time, in order to avoid compulsory redundancies:

- natural wastage
- restrictions on recruitment
- retraining and redeployment
- flexible working arrangements
- reduction or cessation of overtime
- career breaks, sabbaticals and/or leave of absence
- reduced use of agency workers, relief staff, contractors and consultants
- voluntary redundancies [acceptance of which will be at the Council's absolute discretion] or early retirement; and/or
- offer suitable alternative employment where possible.

2.2 Voluntary redundancy

To minimise or remove the need for compulsory redundancies, the Council may consider requests from affected employees for voluntary redundancy. The Council will carefully consider any potential imbalance in the skills and experience of the remaining employees which may be created by accepting such a request. The Council reserves the right at its absolute discretion to decline requests for voluntary redundancy and there is no appeal process against this decision.

Redundancy payments that may be due to an employee who volunteers for redundancy will be calculated in the same way as they would have had the employee been made compulsorily redundant.

3 Consultation

Where compulsory redundancies cannot be avoided, all affected employees, and where appropriate trade union and/or employee representatives, will be notified.

3.1 Consultation with Trade Unions

The Council will consult recognised trade unions and/or employee representatives on:

- the redundancy procedures to be followed; and
- the criteria to be applied.

4 Selection

The Council reserves the right to choose a method of selection which is appropriate to the particular redundancy situation.

Methods of selection can include specific selection criteria or other forms of selection which may include an appointments/interview process in line with the principles of the Council's Recruitment and Selection Policy, testing or other forms of assessment. A record will be kept of the selection process and outcomes.

It is generally accepted by employees and trade unions that if a restructure is proposed that selection for redundancy is via an interview process. It is important that consideration is given to the ring-fence guidance and slot in guidance in relation to the new proposed structure. This is available within the Guidance document which accompanies this policy. It is also important that a job description and person specification is used as part of the interview selection process.

Details of the method of selection will be included within the context statement and will form part of the consultation process.

4.1 Selection Criteria

Where the use of selection criteria is proposed the criteria will be established by the Town Clerk in liaison with a Human Resources Adviser. Selection of those employees potentially at risk of redundancy will be undertaken using objective selection criteria, which will be consistently applied, transparent and fair and based on the existing and foreseeable business needs of the Council.

Affected employees and trade unions and/or employee representatives will be consulted on the selection criteria and particular care will be taken to ensure that it does not directly or indirectly discriminate on the grounds of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, religion or belief, sex or sexual orientation.

The selection criteria will consist of a range of factors and may include:

- qualifications and skill
- specialist knowledge
- aptitude
- efficiency
- work performance records (such as quality of work)

- timekeeping and attendance (attendance record over a reasonable period, for example 2 years taking into account the reasons for and extent of any absences but excluding absences related to pregnancy, childbirth or disability, as defined in the Equality Act 2010); and/or
- disciplinary record.

4.2 Outcome

The Council will consult individually with employee(s) if, after the application of the selection process, they are provisionally selected for redundancy.

5 Notice of redundancy

Employees selected for redundancy will be given written notice of termination of employment.

Employees must receive at least the statutory minimum level of notice. Contracts of employment may provide longer notice periods and, if this is the case, the longer period will apply.

Tax and National Insurance contributions are payable on an employee's notice pay, regardless of whether this is worked or paid in lieu.

The Council, at its absolute discretion, may make payment in lieu of notice for all or part of the notice period, e.g. where it is not practicable or appropriate for the employee(s) to work their notice and/or the needs of the business allow.

6 Redundancy payment

6.1 Statutory Redundancy Payment

Any employee made redundant who has at least two years' continuous service with the Council is entitled to a statutory redundancy payment, calculated according to age, weekly pay and number of years of continuous service. Redundancy payments will be issued in line with the agreed procedure at the time of the relevant date of redundancy.

Any employee who receives a redundancy payment will receive a written notice setting out how their pay has been calculated.

6.2 Taxation

Under current HMRC rules, redundancy payments of up to £30,000 do not attract liability for income tax or national insurance contributions and are therefore tax free.

7 Appeal

Employee(s) identified for redundancy and who subsequently receive notice that they are to be made redundant, will have the right to appeal against the decision to the Appeals Committee of the Council, on a date and time to be arranged where appropriate. The notice letter will include details of how the appeal can be made should any employee consider that they have been unfairly selected for redundancy or that there have been procedural failings.

8 Suitable Alternative employment

The Council will make every effort to find suitable alternative employment within the Council. Redundant employees will be informed of any available vacancies and redeployment opportunities considered until the date of termination of employment.

If the employee refuses the offer of alternative employment, they must do so in writing, setting out their reasons. Unreasonable refusal of an offer of a suitable alternative job will lead to loss of the employee's right to a redundancy payment.

Alternative employment may be offered on a trial period.

If an employee is under notice of redundancy and accepts an offer of employment with an organisation covered by the Redundancy Modification Order, before the dismissal takes effect and the employment starts within the four weeks after the date of redundancy, there will be no dismissal for redundancy payment purposes and continuation of service will be preserved. Therefore the employee will lose their entitlement to a redundancy payment.

9 Time off to seek work

Employees under notice of redundancy and who have not less than two years' continuous employment have the right to a reasonable amount of paid time off to seek alternative work, attend interviews or undertake training. The Council will pay the employee's normal basic pay for the period of absence for such reasons.

10 Annual leave

Employees will be expected to use any outstanding accrued annual leave prior to the date of termination of their employment.

Payment for untaken accrued annual leave may be made subject to and in accordance with the terms of their contract of employment.

11 Pension benefits

Any access to pension following voluntary or compulsory redundancy will be in line with the Local Government Pension Scheme rules.

If you would like any further advice or would like the document in an alternative format, please contact the Town Clerk (or Corporate Services Manager) using the contact details below:

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