

HR & OD POLICIES

human resources and organisational development



Redundancy Procedure

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1. INTRODUCTION

The Service should contact Human Resources for further advice and guidance at the outset of any situation where an employee or employees may be at risk of redundancy. The process which is then required to be undertaken will depend upon the number of proposed redundancies. Further information on the Procedure is available in the Resource Pack, which also includes details of [Redundancy and Pension Payments](#), Sample Wording, Forms and the [Redundancy Process Flowchart](#).

2. DEFINITION OF REDUNDANCY

Under the Employment Rights Act 1996 a redundancy arises when employees are dismissed under the following circumstances:

- The employer has ceased, or intends to cease, to carry on the business for the purposes of which the employee was employed or
- The employer has ceased, or intends to cease, to carry on that business in the place where the employee was employed or
- The employer's requirement for employees to carry out work of a particular kind has ceased or diminished (or is expected to) or
- The employer's requirement for employees to carry out work of a particular kind, in the place where they were employed, has ceased or diminished (or is expected to).

As well as the termination of an entire post, a reduction made to an employee's hours without agreement can constitute a redundancy. Please see the [Reduction of Hours Fact Sheet](#), found in the Resource Pack.

3. PROCESS

STAGE 1 Need To Reduce Staffing Identified

Service identifies a need to reduce staffing levels for example a site closure, structure review, reduction in hours or requirement to reduce expenditure.

STAGE 2 Service Discusses With Human Resources

The Service Director or Head of Service notifies the appropriate HR Team Leader of the name(s) and location(s) of employee(s) involved.

The Service and Human Resources will then meet to discuss the situation including appropriate strategies for mitigating/avoiding redundancies. Where appropriate these strategies, e.g. recruitment ban, non-renewal of temporary contracts - will be implemented.

STAGE 3 Advise Unions/ SMT/ BIS

The Service will advise the appropriate Trade Unions of the redundancy risk and arrange dates when all parties are available for meetings.

Where 20 or more redundancies are proposed at one establishment within a 90 day period, a report will also be made to the Senior Management Team. Human Resources will notify the Department for Business Innovation and Skills as appropriate (this is a statutory requirement).

STAGE 4 Advise Affected Employees Of The Risk Of Redundancy

The Service will write to each employee at risk advising of the redundancy situation and reasons for it, and inviting the employee to a meeting to discuss the situation. Individual meetings will be offered, but may be preceded by a group meeting if appropriate.

STAGE 5 Consultation

Individual Consultation

Individual consultation must take place in all cases.

A representative from the Service and from Human Resources will meet with the employee(s), who may be accompanied by a trade union representative or work colleague. The discussion should include the reason for the potential redundancy, possible ways of avoiding redundancy and possible alternative work, and views should be invited from the employee(s).

Collective Consultation

Where there is a proposal to make 20 or more redundancies at one establishment within a 90 day period there is a statutory requirement for collective consultation in addition to individual consultation

The Service Director in conjunction with Human Resources compiles and issues consultation report to the appropriate recognised Trade Unions giving details of the situation, including the reasons for the proposed redundancies, numbers of employees potentially affected, possible ways of avoiding redundancies, how selection and dismissal would be carried out, and how redundancy payments would be calculated.

A Formal Consultation Period of at least 30 or a minimum of 45 days (depending on number of proposed redundancies) duration will commence when the report is issued.

The meetings advised of in Stage 4, between Employees, Service Representatives, HR Representatives and Trade Union Representatives, will take place. The discussions should include the reason for the potential redundancies, possible ways of avoiding redundancies and possible alternative work, and views should be invited from the employees.

The Service will arrange for a note to be made of the meeting and a copy made available or sent to all affected employees, including those who were unable to attend.

During the consultation period the Service will respond to any representations made by the Trade Unions. At the end of the consultation period a report will be produced by the Service and Human Resources summarising the communications and confirming the outcomes.

STAGE 6 Action To Mitigate Need For Compulsory Redundancy

Can take place within consultation period

Undertake any actions identified to reduce or avoid compulsory redundancies, e.g. inviting applications for voluntary redundancy, offering transfers to vacant posts at other locations, voluntary reductions in hours.

Where applications for voluntary redundancy are invited, those who respond will be provided with estimates of the redundancy and pension benefits they may receive. Where the employee and the Service wish to proceed, the employee will be given notice of termination of his/ her employment on grounds of redundancy.

Where the same work is available at another location, employees will be invited to note interest in transferring. Where there are more interested employees than available posts a selection process will be held to determine who secures the post(s).

STAGE 7 Select Employees For Compulsory Redundancy

Can take place within consultation period

Where a certain number of employees from a group are to be made redundant, and the measures above have been insufficient to render compulsory redundancies

unnecessary, a selection procedure must be applied to determine who is selected for redundancy and who is no longer at risk. Each affected employee will be advised in writing of the selection criteria.

In other situations specific employees' posts will have been identified as redundant (e.g. all employees at a site to be closed) and selection between employees in the affected group will not be required.

Where an employee is provisionally selected for redundancy s/he will be advised of this, and the reasons, in writing and invited to attend a meeting. As a potential outcome of the meeting is confirmation of the employee's dismissal due to redundancy, the employee may be represented by a Trade Union representative or colleague.

Each affected employee will be advised in writing of the decision in his/ her own case, and where s/he has been selected for redundancy will be given the opportunity to appeal. Any appeal will be heard by a Director (or his/ her nominated representative) who is not the employee's own Director.

STAGE 8 Assist Employees Selected For Compulsory Redundancy

Employees selected for compulsory redundancy will be given an estimate of their redundancy payment and pension benefits (as applicable).

The Service and Human Resources will assist the employee to secure alternative employment by:

- Implementing the Council's Redeployment Procedure
- Providing support (in-house training and advice)
- Allowing employees with 2+ years continuous service reasonable paid time off to look for another job or arrange additional training.

A [Support Programme](#) is available to those being made redundant, elements of which are also available to those remaining in employment.

STAGE 9 Move To Alternative Post/Termination Of Employment

The at-risk employee will secure alternative employment such that his/her employment is not terminated on grounds of redundancy.

Or

The redundancy will take effect – the Service will confirm this to the employee in a meeting and subsequently in writing.

4. RE-EMPLOYMENT FOLLOWING REDUNDANCY

If an employee is in receipt of a pension from the Local Government Pension Scheme or the Scottish Teachers' Superannuation Scheme, he/she must notify the appropriate scheme immediately if returning to employment within local government or any organisation that operates the same pension scheme. The pension may be reduced or suspended if the employee's new pay plus their pension is more than their pay at retirement.

5. RECORDS

In order to respond to any claims of unfair dismissal the following records must be kept and must be retained for a minimum of 12 months after the last dismissal has occurred:

- Copies of written notification to appropriate recognised Trade Unions.
- Copies of written notification to the BIS.
- Consultation proposals including evidence of any action to avoid potential redundancies.
- Copies of redundancy notification letters to employees including the calculation of payments. Copies of any correspondence with employees including acceptance of redundancy package.
- Evidence of use of objective selection criteria.
- Full details of any appeals undertaken and decision.

The Service involved must meet with Human Resources after the redundancy situation has been resolved or implemented to ensure that all required documentation is gathered together and retained in a central point in the Service.

6. COMMUNICATION WITH EMPLOYEES

It is important that employees who have been affected by the redundancies of colleagues and who may be anxious about their own job security are considered and are given ongoing communication to include:

- Development of honest, clear two-way communications and given the most encouraging messages possible in the circumstances.

- Full explanation of the situation and explain the policies and practices applied to those made redundant.
- Regular updates on the situation, even if this is to confirm that there has been no change since the previous communication
- Demonstration of the necessity for change.
- An appraisal of future employment prospects and details of changes in working arrangements.
- Provision of a forward looking positive attitude for the future and showing 'those continuing in employment the value of their role in that future.
- Holding of individual meetings with remaining colleagues where necessary to reassure them of their importance and employment prospects.
- Referral to alternative sources of information where appropriate, e.g. Human Resources, Trade Unions, Pension Fund Administrators.

7. FURTHER INFORMATION

For further guidance and information on Redundancy Stages please see the [Resource Pack](#).

For further advice and guidance on any of the above please contact [HR&OD](#).

Redundancy

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Procedure

Revision Date	Previous Revision Date	Summary of Changes
01-04-2011	-	Creation of all documents
06-04-2013	01-04-2011	Collective Redundancies - change to the timescale
24-07-2015	06-04-2013	Format update