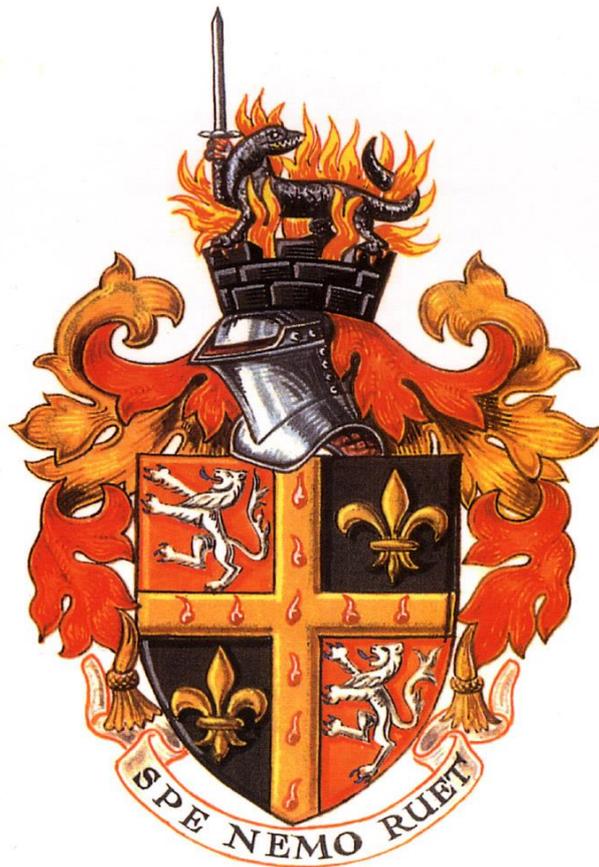


# SPENNYMOOR TOWN COUNCIL



## REDUNDANCY POLICY & PROCEDURE

<b>Author of Policy:</b>	Town Clerk
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# 1 Policy

- 1.1 It is the Council's policy to ensure, as far as possible, security of employment for its employees.
- 1.2 The Council recognises, however, that there may be changes in the nature and range of services which it provides, in organisational requirements and technological developments which may affect its staffing needs.
- 1.3 The Council is committed to early and meaningful consultations with appropriate trade unions and with employees on all matters associated with redundancy situations.
- 1.4 The Council, in consultation with the trades unions will seek to minimise the effect of redundancies through the provision of sufficient time and effort to finding alternative employment for staff in a potential redundancy situation.
- 1.5 Where compulsory redundancy is inevitable the Council will handle the redundancy in the most fair, consistent and sympathetic manner possible and minimise as far as possible any hardship that may be suffered by the employee(s) concerned.

# 2 Redundancy

- 2.1 The Employment Rights Act 1996 states that redundancy arises when employees are dismissed in the following circumstances:
  - a) where the employer has ceased, or intends to cease, to carry on the business for the purposes of which the employee was employed;
  - b) where the employer has ceased, or intends to cease to carry on the business in the place where the employee was employed;
  - c) where the requirements of the business for the employees to carry out work of a particular kind have ceased or diminished or are expected to cease or diminish; or,
  - d) where the requirements of the business for employees to carry out work of a particular kind, in the place where they were

employed, have ceased or diminished or are expected to cease or diminish.

### 3 Consultation

- 3.1 Employers who propose to dismiss as redundant 20 or more employees at one establishment within any 90-day period or less have a statutory duty to consult either representatives of any recognised independent trades unions, or other elected representatives of affected employees.
- 3.2 Where fewer than 20 employees are to be dismissed there is no specific statutory requirement to consult, however, it is good employment practice to consult individuals prior to dismissal even where there has been collective consultation.
- 3.3 Employee representatives may be elected solely for the purpose of consultation about specific redundancies or they could be part of an existing consultative body.
- 3.4 The definition of 'redundancy' for consultation purposes is:
  - The Council has ceased, or intends to cease, to carry on the business in the place where the employee was so employed.
  - The requirements of the Council for employees to carry out work of a particular kind has ceased or diminished or are expected to cease or diminish.
  - The requirements of the Council for the employees to carry out work of a particular kind, in the place where they were so employed, has ceased or diminished or are expected to cease or diminish.
- 3.5 As part of this procedure, consultation with the recognised trades unions and potentially affected employees will take place as soon as practicable. Such consultations are intended to try to jointly identify any means of avoiding or mitigating the effects of the redundancy situation and must take place before any notices of redundancy dismissal are issued.
- 3.6 The Council recognises that the requirement to consult with the appropriate representatives of the affected employees is not met if it merely presents a complete package with all the relevant decisions already taken.

- 3.7 The duty to consult applies even when the employees to be made redundant are volunteers.
- 3.8 An employee can expect to be consulted on the reasons why he or she has been selected for redundancy and the possibility of alternative work.
- 3.9 Consultation must begin at the earliest opportunity and must in any event begin:
- a) where it is proposed to dismiss as redundant less than ten employees at any one establishment, notice should be given at the earliest opportunity;
  - b) at least 30 days before the first dismissal takes effect if 20 to 99 employees are to be made redundant at one establishment over a period of 90 days or less;
- 3.10 The Council will ensure that the consultation process referred to in paragraph 3.5 above will precede any public announcement of a potential redundancy situation.
- 3.11 Employees will be made aware of this procedure and of the opportunities available for consultation and for making representations.
- 3.12 The Council has a statutory duty to disclose in writing to the appropriate representatives of the affected employees the following information concerning proposals for redundancies:
- a) the reasons for the proposals;
  - b) the numbers and descriptions of employees it is proposed to dismiss as redundant;
  - c) the total number of employees of any such description employed at the establishment in question;
  - d) the way in which employees will be selected for redundancy;
  - e) how the dismissals are to be carried out, taking account of any agreed procedure, including the period over which the dismissals are to take effect; and,

- f) the basis of the redundancy payment to be made to those employees selected for redundancy.
- 3.13 The Council may hand this information to local employee representatives, or may send it to an address notified to it, or in the case of a trades union, to the address of the union's main or head office.
- 3.14 Once the Council has informed the appropriate representatives of the affected employees of its plans for redundancies, and provided the necessary information, it is then incumbent on those representatives to respond to the Council. Should those representatives reply then the Council will consider any points raised and respond, giving reasons for rejection, where appropriate. If the appropriate representatives do not respond, then the Council will take no further action or consultation with them.

## 4 Measures for Minimising or Avoiding Compulsory Redundancies

- 4.1 Where reductions in staffing levels are considered necessary, the Council will seek to minimise or avoid compulsory redundancies and the following options will be considered where practicable.
- a) natural wastage;
  - b) restrictions on recruitment;
  - c) retraining and redeployment to other parts of the Council;
  - d) reduction or elimination of overtime;
  - e) introduction of short-time working or temporary lay-off; and,
  - f) seeking applicants for early retirement, or voluntary redundancy.
- 4.2 Employees will be permitted to volunteer for redundancy and, provided that the resultant vacancy is regarded by the Council as suitable alternative employment for potentially redundant employees, and associated costs can be met from existing budgets, they will be allowed to leave the Council's service on the grounds of redundancy.

- 4.3 The timing of termination of employment will be determined by the Council in order to ensure that appropriate staffing levels are maintained during the redundancy period.
- 4.4 Each such application will be considered on its merits without any commitment by the Council that it will accept all, or any, of the applications.

## 5 Selection Criteria

- 5.1 In using selection criteria the Council aims to determine selection criteria which are reasonable and which will be fairly applied.
- 5.2 The Council's aim in applying selection criteria is to ensure a balanced workforce after any redundancies have been carried out.
- 5.3 In applying any selection criteria the Council will be aware of, and comply with, any obligations placed upon it by equal opportunity considerations.
- 5.4 An employee dismissed for reasons of redundancy will be found to have been unfairly dismissed, if he or she was unfairly selected for redundancy on grounds of:
  - gender
  - marital status
  - sexual orientation
  - race
  - disability
  - religion or belief
  - age
  - membership or non-membership of a trade union
  - health and safety activities

- working pattern, e.g. part-time or fixed-term employees
- maternity leave, birth or pregnancy
- paternity leave, parental or dependent's leave
- you are exercising your statutory rights
- whistleblowing, e.g. making disclosures about your employer's wrongdoing
- taking part in lawful industrial action lasting 12 weeks or less
- taking action on health and safety grounds
- doing jury service
- you are the trustee of a company pension scheme

5.5 In any redundancy situation, the first consideration is about the future needs of the Council, both in terms of actual resource levels and the knowledge, skills and experience needed.

The selection criteria used to select employees for redundancy will include the following:

- a) work performance
- b) skills and competence
- c) disciplinary record
- d) attendance record
- e) flexibility / ability / potential
- f) qualifications and experience

It may be that the redundancy situation is restricted to a particular work area, or it may be generalised across the Council.

- 5.6 The Council recognises that it will need to develop objective means of assessment in relation to point (a). It will, however, where possible, consider these criteria and, in doing so, will use them fairly and reasonably.
- 5.7 The Council will develop a points matrix system against which to apply the criteria listed above.

## 6 Redundancy Payments

- 6.1 An employee with two years' continuous service is entitled to compensation by way of a statutory redundancy payment which is calculated as follows:
- a) for each year of service from age 18 to 21 inclusive: half a week's pay
  - b) for each year of service from age 22 to 40 inclusive: one week's pay
  - c) for each year of service from age 41 to 65: one and a half week's pay
- 6.2 The maximum service that can be taken into account is 20 years, and the maximum statutory redundancy under normal circumstances is 30 week's pay.
- 6.3 For the purpose of calculating an employee's entitlement to redundancy pay, the current salary level will normally apply.
- 6.4 Service is continuous service with Spennymoor Town Council, other local authorities and other bodies covered by the Redundancy Payments (Local Government) (Modification) Order 1983 as amended.

## 7 Assistance with Job Seeking

- 7.1 In any redundancy situation the Council will consider whether employees likely to be affected by redundancy can be offered suitable alternative work.
- 7.2 It may be possible to avoid the redundancy situation for one or more employees by offering suitable alternative employment. Where such an

opportunity exists, it will be offered to the employee(s) before the existing contract of employment ends. The alternative employment must be reasonable and may involve the provision of a trial period in the role for the employee. If the employee accepts the offer of alternative employment, then the redundancy notice will be withdrawn. If an employee refuses the offer unreasonably, the employee may forfeit the right to a redundancy payment.

- 7.3 An employee who has received a notice of redundancy has a statutory right to a trial period of four weeks in any alternative job, where the provisions of the new contract differ from the original contract.
- 7.4 The Council will inform the employee, in such circumstances, that if s/he works beyond the end of the four week period any redundancy entitlement will be lost as the employee will be deemed to have accepted the new employment.
- 7.5 Employees who have been continuously employed for two years or more and who are given notice of dismissal for redundancy are entitled, during the period of notice, to a reasonable amount of paid time off to attend job interviews. Evidence of interview will need to be produced.
- 7.6 The Council will give as much information as possible, and as is practicable, to a redundant employee to assist him/her in finding other employment.

## 8 Appeals

- 8.1 Decisions in relation to redundancy shall be taken by the Appeals Committee and appeals against any aspect of the redundancy procedure, including any offer of suitable employment will be to the Appeals Committee.