



“An Excellent Authority”

Service Instruction
Redundancy

<<POD>>

Document Control

Description and Purpose

This document is intended to give guidance to Managers and Employees regarding redundancy procedures

Active date	Review date	Author	Editor	Publisher
Nov 2010	Nov 2011	A Cross	N Mernock	Magda Jordan
Permanent		Temporary	If temporary, review date must be 3 months or less.	

Amendment History

Version	Date	Reasons for Change	Amended by
New			

Equalities Impact Assessment

Initial	Full	Date	Reviewed by	Document location
X		Nov 10	N Mernock	POD

Civil Contingencies Impact Assessment (if applicable)

Date	Assessed by	Document location

Related Documents

Doc. Type	Ref. No.	Title	Document location
Policy		Redundancy and Redeployment	Committee Services
SI		Redeployment	Committee Services
		Relocation	Committee Services

Contact

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Target audience

All MFS	Ops Crews	Fire safety	Community FS
X	Senior officers	Non uniformed	

Relevant legislation (if any)

The Employee Relations Act 1996
 Trade Union and Labour Relations (consolidation) Act 2004
 Information and Consultation of Employees Regulations 2004
 The Employment Equality (age) Regulations 2006
 The Collective Redundancies (amendment) Regulations 2006

Introduction

The Authority recognises the importance of stability and security of employment and has long been committed to a policy of doing all it can to avoid compulsory redundancies. It is the wish of the Authority to maintain continued employment opportunities for as many of the Authority's employees as possible through effective human resource planning to determine existing and future staffing needs. However, there may be circumstances in which the Authority needs to reduce the number of people employed in a particular area of work due to funding issues, work re-organisation, business efficiencies or new technologies; and this has to be achieved through the use of voluntary redundancy or compulsory redundancy where there is no other option.

The Authority will wherever possible seek to minimise the impact of any redundancies by following the procedure set out below. However, it must be recognised that, where the needs of the Authority so dictate, the procedure may be adapted to those particular circumstances. The Authority recognises that redundancy is a traumatic event and will in partnership with the recognised Trade Union consult in order to ensure that employees placed at risk of redundancy and other employees within the organisation are treated fairly and sensitively.

Scope

This Service Instruction will apply to employees of the Authority on full and part time contracts. Fixed term workers who are employees will receive their statutory employment rights including the right to be included in the consultation process and to a redundancy payment.

Alternatives to redundancy

While it is the intent of the Authority to ensure as far as possible the security of its employees through forward planning, external developments and internal organisational changes may affect staffing needs. The Authority will always attempt to avoid redundancies through,

- Natural labour turnover of employee
- Freezing vacancies or restricting the recruitment of permanent staff
- Reducing the use of agency and temporary workers
- Alternative working practices
- Offering sabbaticals or secondments
- Consideration of voluntary/flexible retirement or voluntary redundancy options.

The Legal Position

Redundancy is when an employee is dismissed because:

- The Authority has ceased - or intends to cease - carrying on the business for the purposes of which the employee is employed
- The Authority has ceased - or intends to cease - to carry on the business in the place where the employee is employed

- There is no longer the requirement for the employee to carry out work of a particular kind because the work has ceased or diminished (or is expected to cease or diminish)
- There is no longer the requirement for the employee to carry out work of a particular kind because the work in the place where they were so employed has ceased or diminished (or is expected to cease or diminish)

For a redundancy to be genuine the job that the employee does must disappear, this means that new employees may be recruited to meet a skills need, however they are not able to do the work the redundant employee was doing.

Consultation

The Authority is fully committed to informing and consulting with recognised Trade Unions regarding potential redundancy situations. The purpose of consultation is to provide information as early as practicable for all concerned, to share the problem and explore the options. It is intended as a mechanism to consider alternatives to redundancy for example, short time working, to identify the pool of people at risk of redundancy, to discuss the selection criteria and to consider the terms of a redundancy package.

The Authority additionally has a responsibility to inform and consult directly with the individuals placed at risk of redundancy even if they are represented by a trade union or when those individuals have volunteered for redundancy.

Meaningful consultation will commence at the earliest opportunity and, in any event, no later than:

- At least 30 days before the first dismissal takes effect if between 20 and 99 employees are to be made redundant over a period of 90 days or less at the same establishment.
- At least 90 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 at the same establishment.

Additionally if more than 20 employees are at risk of redundancy the Authority is required to notify the Department for Business Innovation and Skills in writing. This enables government departments and agencies and the Jobcentre Plus Rapid Response Service to be alerted and prepared to take any appropriate measures to assist or retrain the employees in question.

Collective consultation

The Authority will disclose in writing the following information to the representative bodies:

- The reasons for the proposed redundancies.
- The number and description of employees at risk.
- The total numbers of employees of that description employed at the establishment.
- The proposed method of selecting employees for redundancy.
- The procedures to be used in carrying out the dismissals including the period over which dismissals are to take effect.
- The method of calculating the amount of redundancy payments to be made to those who are dismissed and whether the package is at an enhanced or at a statutory level. Each case will be considered on its particular merits.

It will also discuss the local arrangements for reasonable time off with pay to seek alternative employment or make arrangements for retraining. The Authority will agree internal and external help available to find alternative work. In the interests of good employment relations and to minimise uncertainty, the Authority will also negotiate whether the redundant employee can leave during the notice period and whether an employee made compulsorily redundant may retain Authority benefits or repay course fees.

Individual consultation

The employee will be invited to individual meetings in writing and has the right to be accompanied at the redundancy consultation meeting by a colleague or Trade Union representative.

In the course of the process there will be a number of meetings with individuals to explain the reasons for redundancy and why that individual has been placed at risk of redundancy. The employee will be advised of the selection criteria and their selection scores. The final meeting will confirm the decision and if not previously discussed it will confirm any redundancy payment.

Selection for redundancy

Where the above interventions have not been able to reduce the need to make compulsory redundancies or are inappropriate due to the reasons for the redundancy, the Authority will identify the initial selection pool for redundancy. This will usually be those employees who undertake a similar type of work in a particular department, or at a relevant location or whose work has either ceased or diminished or is expected to do so.

Employees who are identified in the initial selection are considered to be “at risk” of redundancy. All selection criteria will be objective and the overall test is one of reasonableness based on the future organisational needs.

The following criteria are common in determining the final selection of employees from the “at risk” pool. Criteria may be weighted for example; good attendance may hold greater importance than the requirement to hold formal qualifications:

- Skills or experience for the future needs of the Authority
- Formal appropriate qualifications, advanced skills and other aptitudes
- Attendance and timekeeping records (excluding those which are due to disability or pregnancy)
- Disciplinary records
- Performance (based on objective evidence in the form of appraisal grades)
- Observance of the Authority values

Using certain selection criteria will make any subsequent redundancy dismissal automatically unfair and must not therefore be used, including selection due to:

- trade union membership, non-membership or activity
- legal industrial action lasting up to 12 weeks, or longer
- because an employee is a Trade Union or Health and Safety Representative

- actions taken on specified health and safety grounds
- reasons associated with pregnancy, maternity, paternity, adoption and parental leave
- reasons relating to regulations on part-time workers

The selected employee will be provided with access to any information used in selecting them for redundancy. The Authority will set down in writing, the reason for the individual's selection and their selection score and weightings and will discuss this with the employee as part of the consultation meeting.

The Authority will be able to demonstrate to employees that their selection was made in comparison to others who may have been made redundant in relation to the agreed selection criteria.

Alternative Employment

The Authority will make every effort to redeploy to suitable alternative work any employee who is selected for redundancy. Such employees will be informed of all the available vacancies at the time of their selection and will be given an opportunity to discuss with their line manager which vacancies are likely to be suitable for them. The Authority will continue to seek work for an employee up until the date of the termination of contract.

Please refer to the Redeployment Service Instruction for additional information.

If the Authority offers a suitable alternative job and the employee unreasonably refuses it, the employee may lose the right to statutory redundancy pay. Unreasonable refusal may arise where the differences between the new and old jobs are negligible or where the employee assumes rather than investigates the changes that the new job may involve.

Severance Payments

Employees with two or more years' service may be entitled to a statutory redundancy payment. This payment will reflect the maximum weekly pay cap set by the Government. Only full years of service are taken into account when calculating statutory redundancy entitlement (up to a maximum of 20 years).

In the course of individual consultation, employees will be given details of any financial compensation (redundancy pay, pensions benefits etc) to which they may be entitled and the sum will be paid along with the employee's final salary payment or payment in lieu of notice.

All employees who receive a redundancy payment will be given written notification of the way in which that payment has been calculated and the amount which may be tax free.

Termination of Employment

After the consultation procedure has been exhausted and where no alternative to redundancy has been found, the effective date of redundancy will be communicated to the employee in writing. The amount of redundancy pay they will receive will be confirmed, as will any other termination arrangements. The employee will also be informed of their right of appeal.

Depending on the circumstances, the Authority may waive its right to insist on employees working their notice and instead give a payment in lieu of notice

Assistance with Job Seeking

Employees under notice of redundancy will be entitled to a reasonable amount of paid time off to look for alternative work, attend interviews, etc. Employees wishing to take advantage of this right should make the appropriate arrangements with their line manager. Where ever possible assistance will be given by the People & Organisational Development Team on compiling CV's and guidance on attending job interviews.

Counselling

The Authority provides an employee well being programme through AXA ICAS and employees requiring support may contact them on 0800 072 7 072 24 or via www.wellbeingworks.com 24 hours a day. Alternatively, they can make an appointment with the specialist nurse service through the Occupational Health Department.

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