

Appendix 1

Argyll and Bute Council

Redundancy Policy and Procedures



Redundancy Policy & Procedure

1.0 Policy Statement

- 1.1 While it is the intention of the Council to provide a stable work environment and reasonable security of employment for its employees, it is recognised that there may be changes in organisational requirements which affect staffing needs. Redundancy is a difficult situation to manage and can have a significant long term impact not only on employees asked to leave but also those who remain employees of the Council. In order to minimise the impact of redundancies and to ensure the council is fair and consistent in its approach to redundancy situations, the following procedure will be adopted wherever possible. It must be recognised, that where the needs of the business dictate, the procedure may be adapted to the particular circumstances.
- 1.2 If a reduction in staffing requirement is necessary, the Council is committed to achieving reductions on a voluntary basis wherever possible.
- 1.3 Compulsory Redundancies are the last option that the Council would wish to undertake as a means of reducing employee numbers.
- 1.4 The Council recognises the impact of change on employees and is committed to adopting a consultative approach to necessary adjustments to staffing arrangements.
- 1.5 It will be the responsibility of SMT to determine any requirement to reduce employee numbers within a department in line with the discretions available within the Council's Policy on Discretions.
- 1.6 In addition to its legal obligations to advise recognised Trade Unions if a redundancy situation arises, the Council will undertake to consult fully with its employees and their representatives at the earliest opportunity.
- 1.7 The agreement of the recognised trade unions to this policy and associated procedures is without prejudice to their opposition to compulsory redundancy.

2.0 Scope

- 2.1 This policy & procedure applies to all employees of Argyll and Bute Council.

3.0 Redundancy Definition

- 3.1 An employee will be regarded as dismissed by reason of redundancy if the dismissal is attributable wholly or mainly to:
 - the employer has ceased, or intends to cease, to carry on the business for the purposes of which the employee was so employed

- the employer has ceased, or intends to cease, to carry on the business in the place where the employee was so employed
- the requirements of the business 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 business 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.

4.0 Voluntary Redundancy

- 4.1 In the first instance the Council will seek to reduce employee numbers on a voluntary basis, this may be on a Council wide or Service specific basis. Approval of such applications will be at the Chief Executive/Executive Director's discretion in line with the outcome of a Service Review or other process. An explanation of the reasons for any requests being declined will be provided in writing to employees.
- 4.2 When considering requests for voluntary redundancy, the Council will consider how the request fits with business needs and the financial implications of the potential redundancy.
- 4.3 In situations where the number of volunteers exceeds requirements, the Council shall seek to agree with Trade Union Representatives the selection criteria to be used.
- 4.4 In order to minimise the number of requests refused, the Council will, where appropriate, retain the right to specify the types of posts from which volunteers are being sought.

5.0 Compulsory Redundancy

- 5.1 Where voluntary redundancy has not produced suitable volunteers, the Council, shall seek to agree with Trade Union Representatives the criteria to be used when making compulsory redundancies. It is important that criteria used in redundancy selection are used in an objective way, and applied consistently.

6.0 Consultation

- 6.1 The Council has a Consultation Procedure that complies with statutory requirements. This will be used as the basis for **all** consultation that is carried out in relation to redundancy situations.

7.0 Selection Criteria

7.1 The Council has a Selection Criteria procedure that complies with statutory requirements. The Council shall seek to agree with Trade Union representatives the selection criteria to be applied. This will be applied in all cases of redundancy where a selection process is required.

8.0 The Termination Procedure

8.1 When contemplating dismissing an employee on the grounds of redundancy, the Council will follow the termination procedure summarised below:

8.2 (i) The Council will send a letter to each affected employee explaining the grounds on which dismissal is being contemplated and inviting the employee to a meeting to discuss the matter. Employees will also be advised that they are entitled to be accompanied by their Trade Union Representative or other person of their choice.

(ii) A meeting will be held with each employee to discuss the matter and will be followed up with a letter confirming the outcome of this meeting.

(iii) The opportunity is provided for the employee to appeal should the dismissal go ahead.

9.0 Notice Periods

9.1 Employees leaving the Council as a result of redundancy will normally be expected to work their notice period. Pay in lieu of notice will only be paid where there is good reason in the view of management for the employee not working the notice period.

10.0 Alternative to Redundancy

10.1 The Council has an agreed Redeployment Procedure that will be applied in all cases as an alternative to redundancy.

11.0 Support Available to Employees

11.1 While the Council will endeavour to minimise the effects by keeping employees informed and consulted during redundancy situations, line managers should remind employees who are anxious about the process of the services provided by the Employee Counselling Service.

11.2 Once placed under notice of redundancy, reasonable paid time off work (normally up to 40% of the employees' working week) will be granted to employees for the purpose of finding alternative employment (including attending job interviews) or making arrangements for training for future employment.

- 11.3 Repayment of allowances or expenses paid in connection with training, relocation or car leasing early termination charges will be waived in the event of compulsory redundancy or redeployment to a post that does not attract such payments.
- 11.4 Employees should contact the relevant Pension Authority for advice relating to how redundancy may affect their occupational pension.
- 11.5 There are a number of pensions implications that an employee must consider in relation to the provisions contained within this policy. Although the Council can help employees to understand pension scheme rules, the Council is not legally authorised under the Financial Services and Markets Act 2000 to give pensions or other financial advice to individuals. Employees should seek advice from an independent financial adviser.

12.0 **Redundancy Pay**

- 12.1 Under the Employment Rights Act 1996, an employee who is dismissed on the grounds of redundancy and who has at least two years continuous service as recognised by the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999 and subsequent amendments will be entitled to a statutory redundancy payment. Advice can be obtained from the HR Section.
- 12.2 Employees will not receive benefits (e.g. discretionary added years, a redundancy payment or enhanced redundancy payment) for any period of service for which they have previously received enhanced benefits, i.e. periods of service will not be reckoned more than once.
- 12.3 Redundancy payments will be paid in accordance with the Council's Policy on Discretions.

13.0 **Appeals Process**

- 13.1 Any member of staff given notice of redundancy will have the right to appeal if they consider that they have been unfairly selected for redundancy.