

REDUNDANCY POLICY

INTRODUCTION

Whilst it is Tayside Contracts' intention to develop and expand its business activities and thus provide a stable work environment and security of employment for all of its employees, it must ensure the economic viability of the organisation in an increasingly competitive business environment. If circumstances arise such as changes in the market, technology or operational requirements it may necessitate the need to reduce staffing levels with subsequent redundancies.

Tayside Contracts will make every effort to avoid such situations and to minimise the effect of any required redundancies. It is recognised that any redundancy situation will have a traumatic effect on employees and it is vital that each case is handled with due care and consideration.

This policy has been formulated as a statement of the approach that Tayside Contracts would adopt when faced with a redundancy situation.

POLICY OBJECTIVES

The aim of this policy is to ensure legal compliance and establish Tayside Contracts' minimum standard of good practice when dealing with a potential redundancy situation. It has been developed to provide a framework to assist Tayside Contracts to adapt successfully to changing workforce requirements.

Tayside Contracts aims to:-

- be fair and consistent in its approach to redundancies
- ensure full compliance with employment and equalities legislation
- avoid compulsory redundancies wherever possible, actioning voluntary rather than enforced redundancies
- limit the financial and emotional impact on affected employees

DEFINITION OF REDUNDANCY

In accordance with the terms of the Employment Rights Act 1996, a redundancy situation will arise where:-

- I. Tayside Contracts has ceased, or intends to cease, to carry on the business for the purposes for which the post was established, or has ceased, or intends to cease, to carry on the business in the establishment where the post was based, or
- II. Tayside Contracts' requirements to carry out work of a particular kind has ceased or diminished or is expected to cease or diminish.

MEASURES TO AVOID COMPULSORY REDUNDANCIES

Where the possibility of a reduction in the size of the workforce arises, Tayside Contracts will enter into consultation with the relevant trade unions with a view to establishing whether the proposed job losses can be achieved by means other than compulsory redundancies. Consideration will be given specifically to the following alternative options, subject to business considerations and operational requirements:

1. a recruitment freeze – other than where it is essential to recruit
2. restricting/terminating the use of sub-contract labour
3. reducing the amount of overtime worked within the organisation, unit or division
4. introducing changes to working practices
5. inviting applications for consideration for early retirement and/or voluntary redundancy
6. considering redeployment and/or retraining of surplus employees

Tayside Contracts will make every effort to avoid compulsory redundancy situations but should this be impossible Tayside Contracts' will, in accordance with the Redeployment Policy, seek alternative employment within the organisation and the constituent Councils, and where this exists will make every effort to have the redundant employees considered for suitable vacancies

CONSULTATION

Trade Union Consultation

Notification to and consultation with "appropriate representatives" is legally required where an employer is proposing collective redundancies/dismissals of 20 or more employees at one establishment in any 90 day period.

The minimum statutory period for advance consultation is:

- 45 days in the case of 100 or more proposed dismissals in a 90 day period
- 30 days in the case of 20-99 proposed dismissals in a 90 day period

It is Tayside Contracts policy to consult "in good time" and at the first available opportunity with the appropriate representatives. Furthermore, Tayside Contracts will inform and consult with the recognised trade unions on every proposed redundancy, the agreed basis being that the GMB, Unite and UNISON are consulted on all redundancy situations potentially affecting their members.

For the purposes of formal consultation, Tayside Contracts will disclose the following information in writing to the relevant trade unions

- the reason for the proposed redundancies
- the number and description of employees that may be dismissed as redundant
- the total number of employees employed at the establishment in question
- the proposed selection method
- the proposed method of carrying out dismissals and their timings

Individual Consultation

Following trade union consultation, Tayside Contracts will consult with every individual affected by the redundancy situation. Each employee will be given as much information as possible at the first available opportunity. They will be briefed on the situation and given a personal fact sheet detailing their entitlements. In addition, employees will be asked to complete an options form, on which they will be required to indicate their preference for alternative employment/redundancy, if appropriate.

Department Of Business, Innovation and Skills

Where it is planned to make 20 or more employees redundant Tayside Contracts will give advance notice in writing to the Department of Business, Innovation and Skills (BIS) of any proposed redundancies, in accordance with the statutory notice periods detailed previously.

REDUNDANCY PROCEDURE

Tayside Contracts will adhere as far as is reasonably practicable to the following procedure with regard to dealing with any redundancy situation

Stage 1

Tayside Contracts will notify the relevant trade unions and all employees in the affected area/unit/service of a potential redundancy situation.

Stage 2

Tayside Contracts will provide the trade unions with all the necessary information within the established time limits and will notify the Department of Business, Innovation and Skills of the impending redundancies.

Stage 3

Tayside Contracts will commence consultations with the appropriate representatives, investigating ways of avoiding compulsory redundancies, reducing the number of employees to be made redundant and mitigating the consequences of any necessary redundancies, with a view to reaching agreement.

Stage 4

Tayside Contracts, following consultation with the trade unions, will decide on the number of employees to be made redundant, the selection criteria and timings.

Stage 5

Tayside Contracts will consider inviting applications for voluntary redundancies.

Stage 6

Tayside Contracts will consult the individuals affected regarding the range of options available before a final decision is taken.

Stage 7

Tayside Contracts will seek alternative employment within the organisation in the first instance. If practical, consideration will be given to retraining. Employees will be given a trial period of 4 weeks in which to ascertain if the alternative employment is suitable. Alternative employment will also be sought across the three Constituent Councils.

Stage 8

Tayside Contracts will select the employees to be made redundant, ensuring that the agreed selection criteria outlined within this policy are applied fairly and consistently and in accordance with all relevant equalities and other employment-related legislation.

Stage 9

Tayside Contracts will consult with the Proper Officer prior to serving formal notice of dismissal on the grounds of redundancy to any employee on Grade 8 or above.

Stage 10

Tayside Contracts will inform those employees affected of their impending redundancies as soon as possible and confirm this in writing, i.e. serve formal notice of dismissal on the grounds of redundancy.

Stage 11

Tayside Contracts will allow the employees reasonable time off to look for other employment/retraining and will provide appropriate counselling if requested.

REDUNDANCY SELECTION CRITERIA

Very often no active selection is required and a particular post or group of posts is clearly identifiable and represents a fair and objective method of selection.

Where, however, some form of more active selection is required, Tayside Contracts is committed to the method of selection being fair, non-discriminatory and objectively justifiable.

Maintaining a balanced and effective workforce is also a legitimate consideration for management and on each occasion Tayside Contracts will ensure that a proper analysis of future workforce requirements is carried out, and that workforce reductions do not cause future imbalances.

Typical methods of selection will vary from situation to situation and could include selection on the basis of several of the following:-

- "self selection", i.e. certain posts are clearly identifiable as that particular work will cease
- volunteers
- relevant skills, experience, qualifications (taking care to ensure no unjustified discrimination)
- attendance (using accurate data and taking care with disability related absence, maternity absence etc)
- standard of work performance
- length of service (although this will never be used as the sole criterion)

Tayside Contracts is committed to early consultation with the recognised trade unions over the particular method of selection in any redundancy situation and will apply a method of selection which is appropriate to the particular redundancy situation.

The Head of FM and Human Resources or the HR Manager must be consulted prior to any selection for redundancy being made. The Head of FM and Human Resources will ensure that there is a co-ordinated approach to redeployment, redundancy and related procedures.

APPEALS

Individuals will have the right of appeal against their selection for redundancy which, if desired, must be lodged in writing to their Unit Head within 5 working days of receipt of formal notification of the selection.

The Unit Head or nominated representative will then respond and arrange a meeting within 10 working days. If the matter is not resolved to the employee's satisfaction then a further appeal must be lodged in writing within 5 working days to the Managing Director.

The Managing Director, or nominated representative, will hear the grounds of the appeal within 10 working days and the employee will be advised of the outcome in writing.

The Head of FM and Human Resources or nominated representative will be present at all internal formal appeal meetings and the employee will be afforded the right to be accompanied at the meetings by a trade union representative or workplace colleague.

Should an employee be dismissed on the grounds of redundancy a final right of appeal against dismissal may be lodged in writing to the Managing Director and will be heard by an Appeals Sub Committee of the Joint Committee.

SEVERANCE PAYMENTS

Any employee selected for redundancy will be fully informed of their entitlements in respect of severance payments. Details will be provided in writing of the entitlement to redundancy, notice and if appropriate pension entitlements.

Tayside Contracts will make redundancy payments on the basis of age and service, as outlined in the Employment Rights Act 1996. Those not eligible for payment include:-

- employees with under 2 years continuous local authority service

- employees who have been offered other suitable alternative employment and have unreasonably refused to accept the redeployment

The maximum number of years of service recognised for calculation purposes will be 20 as per the Act but there will be no restrictions on the weekly pay used in the calculation.

The notice period will be in accordance with an individual's contractual entitlement and if possible will be served in advance. Employees will be required to work their notice and pay in lieu of notice will only be made in exceptional circumstances.

Employees aged over 50 years who contribute to the Pension Scheme, will be eligible for enhanced benefits (with the maximum possible 6 $\frac{2}{3}$ added years being granted where there is a compulsory redundancy).

Employees of any age, whether members of the Pension Scheme or not, could receive a lump sum in accordance with the Discretionary Payments and Injury Benefits (Scotland) Regulations. This is a compensation payment distinct from pension benefits and no pension benefits would be payable.

ASSISTING REDUNDANT EMPLOYEES

It is acknowledged that redundancy can be extremely stressful for those concerned. The HR Section will provide a redundancy counselling service in order to assist employees to cope with redundancy and to help them to find alternative employment. The counselling will aim to provide help with their feelings about redundancy, personal problems and clarification of career direction. Employees will also be given assistance and referred to appropriate organisations for advice and will be provided with coaching and information in areas such as completing application forms/CVs, presentation skills at interview, seeking alternative employment, retraining and the practical/financial implications.

RELATED POLICIES

The Redundancy Policy links to the following policies which can be accessed on the Intranet, or requested from your line manager or from the HR Admin Team:

- Redeployment Policy

POLICY REVIEW

The Redundancy Policy will be reviewed annually.

Should you have any queries or require further clarification regarding any aspects of this policy or related policies please contact, HR Services on 01382 812721 or employment.policies@tayside-contracts.co.uk