

**EMPLOYMENT STABILITY POLICY
(Revised September 2009)**

1.0 Introduction

It is the policy of the Council to avoid redundancy, wherever possible. Where it is necessary to consider redundancy, alternatives will be considered, wherever possible. In pursuance of its policy to avoid redundancy the Council will consult about ways of reducing the numbers of employees to be dismissed and mitigate the consequences of dismissal.

2.0 Avoiding Redundancy

The Chief Executive will, in consultation with the Director of Corporate Services, the Head of Corporate Resources, the Service Head concerned, Human Resources Manager and the staff and union representatives, fully explore any alternatives to redundancy. Alternatives may include the:

- (i) review of and reduction in overtime working;
- (ii) redeployment of employees, who might otherwise become redundant, to other vacant posts for which they might be suitable or to other areas of work where employees at risk might be redeployed;
- (iii) restrictions on recruitment to similar posts;
- (iv) review of work undertaken by consultants or contractors to establish whether any of this work can reasonably be transferred to Council employees whose jobs are at risk;
- (v) approaching neighbouring local authorities to explore whether there are any suitable alternative roles for staff at risk of redundancy to transfer into; and
- (vi) where practicable, temporary secondment or transfer of displaced staff where it is foreseen that they can be absorbed into a substantive post within a reasonable period of time, subject to periodic review.

3.0 Consultation Process

- 3.1 The Council will make every effort to consult with staff where restructures and/or changes are taking place and where there is a likelihood of staff numbers being affected.
- 3.2 As a guide, a Head of Service will consult with all affected staff about any proposals, allowing them a reasonable period of time to respond with alternative and/or additional suggestions to achieve a more effective outcome for the Service. Where appropriate, the Head of Service will include staff suggestions within proposals put forward to the Management Board for consideration. Staff will be advised of any suggestions that were not suitable for adoption and a reason why.
- 3.3 Staff will be advised of any changes Management Board make to the proposals before the final recommendations are put before the Executive.

- 3.4 With effect from the Executive's decision to disestablish posts from the establishment, the incumbents of these posts will be placed at risk of redundancy. A letter confirming this will be sent to the affected staff, explaining the reason(s) why they have been placed at risk, their right to request voluntary redundancy and their right to appeal the decision, should they so wish.
- 3.5 Any employee who is aggrieved by a decision to declare them redundant will have the right of appeal. If however, the grievance does not relate to the redundancy decision but to the operation of the procedures outlined in this document, it will be dealt with under the Council's Grievance Procedure.
- 3.6 Where a job is deleted and there is more than one person undertaking similar jobs, they will all be placed at risk of redundancy.
- 3.7 All staff at risk of redundancy will be ring fenced and given priority consideration for suitable alternative roles, through the normal recruitment process.

4.0 Voluntary Redundancies

- 4.1 Where possible, redundancy should first be considered for those who volunteer for redundancy.

5.0 Compulsory Redundancies

- 5.1 Where compulsory redundancies are required the Council will apply objective selection criteria, which may include considering an employee's qualifications, skills or competencies, suitability for retraining or redeployment and their sickness record. The criteria must be relevant to the requirements of the service and the job role and must be applied objectively to each potential candidate for redundancy.
- 5.2 When all suitable alternatives have been exhausted and the final decision to make an employee redundant has been made, they will:
- (i) have their entitlement to redundancy payments fully explained to them;
 - (ii) be considered for appointment, secondment, transfer or redeployment to any suitable vacancy which might arise during their period of notice;
 - (iii) in the event of being redeployed, be offered suitable retraining for the new post;
 - (iv) be given all possible assistance (including reasonable time off on full pay) in finding alternative employment and pursuing agreed training opportunities;
 - (v) be entitled to attend redundancy or retirement counselling sessions at the Council's expense; and
 - (vi) have the right to a reference from the Council for use in finding alternative employment.
- 5.3 Where all the alternatives to redundancy have been explored and more than twenty staff are to be made redundant, the Council will consult with the trade union and staff representatives at the earliest opportunity and not later than the minimum period prescribed by law and will disclose the following information:
- (a) the reason for the proposals;

- (b) the numbers and the description of the employees at risk;
- (c) the total number of Council employees affected by the proposal;
- (d) the proposed method of selecting for redundancy;
- (e) the proposed method of carrying out the dismissals; and
- (f) the proposed method of calculating the amount of redundancy payments to employees who may be dismissed by reasons of redundancy.

5.4 Where there are to be twenty or more redundancies the Head of Corporate Resources will, in accordance with statutory requirements, notify the Department of Education and Employment of the proposed redundancies and will liaise with it on all matters subsequently arising as a result of the redundancies.

6.0 Redundancy Payments

6.1 Where an employee is made redundant and has over 2 years continuous local government service, the following conditions shall apply:

- (i) The redundancy payment shall be based on all continuous Local Government and other relevant Service up to a maximum of 20 years.
- (ii) All redundancy pay will be calculated on the contractual weeks pay except where the statutory redundancy pay limit is greater.
- (iii) Contractual entitlement or statutory provision, whichever is the greater, up to a maximum of twelve weeks pay will be paid either in lieu of unworked notice or in breach of contract.

6.2 Any redundancy payments made under this scheme which are related to length of Local Government service shall exclude any period of service in respect of which a redundancy payment has already been made.

6.3 Any requirement for repayment of training, disturbance allowances or termination charges under the Council's Provided Car Scheme, upon the termination of employment with the Council will be waived in respect of staff being made redundant.

7.0 Redeployment

7.1 The Council, in discussion with the employee, will decide whether a post is considered to be suitable alternative employment and that decision will be made taking into account job content, the terms and conditions applicable to the post and location. An employee who rejects an offer for suitable alternative employment will lose their entitlement to redundancy pay. An employee who disagrees with the decision of the Council with regards to the suitability of employment will have the opportunity to appeal to the Chief Executive.

7.2 Where an employee is redeployed to another post they will be allowed a "settling-in" period of up to 4 weeks, or up to a maximum of 8 weeks by agreement of the employee and the Chief Executive after consultation with the Head of Corporate

Resources and the Human Resources Manager, during which time either the Council or the employee may terminate the arrangement if either shall find it to be unsuitable.

- 7.3 The appropriate redundancy benefits will then be paid, subject to the employee having made every effort to learn and apply the new skills required for the job and no other suitable alternative roles being available in the foreseeable future.
- 7.4 In the event of redeployment to a post carrying a lower salary, a reduction in salary shall occur 2 years after the redeployment commenced.
- 7.5 In the event of redeployment proving unsuitable the redundancy benefits applicable will be paid upon notification that the employee has been dismissed on grounds of redundancy.

8.0 Additional Benefits

In addition to the statutory redundancy payment the Council may also authorise the following benefits:

- (i) The immediate payment of normal retirement benefits to those aged 55 and over, under the Local Government Pension Regulations 1995 as amended.
- (ii) Enhancement of the statutory redundancy payment to those in the pension scheme by a multiplication factor of 2.0.
- (iii) All additional redundancy payments will be made:
 - (a) to include all continuous Local Government Service irrespective of employer, up to a maximum of twenty years;
 - (b) based on actual salary if above the current statutory redundancy maximum pay; and
 - (c) the Council may, in appropriate cases, make payment of a lump sum for frustration of the employee's contract up to a maximum of 12 weeks pay.

The extent to which any or all of the benefits set out above will be applied in an individual case of proposed early retirement will be considered by the Council on its merits.

9.0 Selective Voluntary Early Retirement Scheme

9.1 Purpose

The Council recognises that longer serving employees, after years of productive service for the Council can reach a point where they would value a change in their work/life balance or feel that they no longer have a fresh contribution to make. Whilst the most usual course of action in these cases is for the employee to seek alternative employment, it is recognised that in certain cases alternative options should be considered.

It is stressed that this does not cover a redundancy situation but is an opportunity for

an individual employee to request that they be considered for early retirement to the mutual benefit of themselves and the Council. The scheme is designed to allow for the possibility of a suitable arrangement to be made where there is a degree of benefit on both sides.

This scheme is not to be used in cases where issues of capability, health or disciplinary matters are under consideration as there are appropriate policies dealing with each of these matters.

The purpose of the Early Retirement Scheme is to improve the council's efficiency by giving eligible officers the opportunity to leave the Council's service early upon receiving compensatory benefits. The cost of such benefits must be recouped within the same financial year and will be made by:

- (i) either the non-filling of the resultant vacancy or of another vacancy in a related post which has arisen as a result of a staffing restructure made possible by the creation of the original vacancy; or
- (ii) the ability to fill the resultant vacancy on either a lower salary grade or for less hours each week; or
- (iii) an eventual saving resulting from the appointment of a more motivated member of staff and who would achieve an improved service provision

9.2 Eligibility

Staff will be eligible to benefit from the Early Retirement Scheme if they are:

- (i) a pensionable employee currently in the scheme with qualifying service of not less than 5 years;
- (ii) not less than 55 years of age;
- (iii) prepared to leave the employment of the Council before the statutory age of retirement; and
- (iv) agreed by the Council for mutual termination of employment in the interests of the efficiency of the service.

Staff under 55 years of age who are in the pension scheme may also benefit from this scheme but will not receive immediate pension benefits, these being deferred to normal retirement date in the usual way.

9.3 Scheme Compensation Benefits

The Council has the discretion, under Regulation 52 of the Local Government Pension Scheme, to make a compensatory payment by giving eligible staff up to 6 and 2/3rds years additional service, with all costs incurred being recouped within the same financial year.

9.4 Procedure

- (i) Any member of staff who meets the criteria set out above and wishes to leave the service early should in the first instance discuss the matter with their

Service Head. Subject to their agreement, the individual should inform the Human Resources Manager in writing. The Service Head will be required to prepare a business case for the proposal for consideration by the Chief Executive.

- (ii) The Chief Executive and the individual employee will agree the terms of the compensation having regard to the cost to the Council.
- (iii) Compensation benefits will include up to 6 and 2/3rds added years, payment of the pension within any existing elements of the 85 year rule, and removal of the actuarial reduction for paying pension early.
- (iv) In the case of the Chief Executive, Directors and Service Heads, the business case will be prepared for consideration by the Executive and any terms will be agreed by the Chief Executive and the Leader of the Council, in the case of the Chief Executive, any terms will be agreed by the Leader of the Council and the Head of Corporate Resources.
- (v) As the scheme requires mutual agreement, there is no right of appeal.

10. Dismissals

- 10.1 The Executive will be advised where a dismissal occurs as a result of redundancy, early retirement on the grounds of redundancy or through voluntary early retirement.
- 10.2 Individual consultation will be a key part of the redundancy consultation process, to allow affected employees to present proposals and alternatives to redundancy.