

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

RESTRUCTURING AND REDUNDANCY POLICY AND PROCEDURE

1. Purpose

The purpose of the Council's Restructuring and Redundancy Policy and procedure is to set out the approach to managing organisational change within the Council. This policy sets out a fair, transparent and effective process for dealing with such situations and ensuring compliance with statutory requirements.

2. Scope

This procedure applies to all employees of Hinckley and Bosworth Borough Council.

3. Principles

3.1 The Council's commitment to equality of opportunity will be observed at all times during the operation of this policy and procedure.

3.2 This policy will be implemented in line with our organisational values and behaviours this being: Being your Best, Team working and Customer Focus.

3.3 The Council will, where feasible, try to avoid redundancies through careful planning, including vacancy control measures, natural wastage, re-deployment (where applicable) and retraining where possible. The aim is to ensure that the valuable skills, experience and knowledge of employees are retained wherever possible

3.4 The Council is committed to full and meaningful consultation with employees and the recognised trade unions regarding proposals for organisational change. The aim is to demonstrate a commitment to safeguarding the interests of employees. In line with this, the overriding objective of consultation will be to consider ways of avoiding redundancies, reducing them to a minimum and/or mitigating the consequences of dismissals. Consultation will be undertaken with a view to reaching agreement and any representations or proposals made will be fully considered.

3.5 It is recognised and understood that organisational change may have a significant impact on employees and may involve periods of uncertainty. The Council is committed to supporting employees through periods of change and to minimise any negative impact.

4. Procedure for Identifying Jobs at Risk

Ongoing Minor Change

4.1 In order to adapt to changing requirements, it is likely that the Council will need to make periodic changes to roles, responsibilities and/or working practices (i.e. job description changes or change of service area and reporting line management changes). As flexibility underpins our organisational values

employees are expected to accept reasonable changes appropriate to the level of the post.

- 4.2 Where changes are required, the reasons for these will be discussed with employees and they will be given the opportunity to state their views and suggest any alternative solutions. Affected employees will be given reasonable notice and be supported, as far as practical, to adapt to the new way of working.

Major Changes Affecting Job Security

- 4.3 When service and team restructurings are taking place or there are proposed major changes to working practices or contractual terms (which can include relocating employees), all of these represent a change to an employee's terms and conditions and therefore there is a requirement to formally consult with employees.
- 4.4 As soon as jobs or areas of work which may be affected by a prospective change in staffing requirements have been identified by the Service Manager, that service manager will bring the matter to the attention of the Strategic Leadership Board as soon as possible. When the Strategic Leadership Board has agreed that there is an 'at risk' situation, formal consultation will commence.

5. Consultation

Timescales

- 5.1 Where possible, managers supported by the HR Team will engage with employees and Trade Unions at an early stage so affected employees have the opportunity to give thorough consideration before the formal consultation process begins.
- 5.2 The duty to consult arises where there is a 'proposal' to dismiss. This is something less than a final decision but more than considering whether redundancies might be appropriate, in other words at a formative stage. These requirements also apply when it is proposed to terminate contracts and offer re-engagement in order to implement changes in terms and conditions on which it has not been possible to reach agreement.
- 5.3 The timescales for formal consultation are:

*No of employees it is proposed to dismiss in one establishment	Length of formal consultation period
100 or more	45 days
20-99	30 days
1-19	30 days **

* When calculating the number of employees proposed to be made redundant for the purposes of collective redundancy consultation, this must also include employees who volunteer for redundancy or any employees who could be re-deployed.

** There is no specified statutory minimum period where it is proposed to dismiss 1-19 employees at an establishment. To ensure meaningful

consultation it is recommended in these situations to grant 30 days consultation. However, if the employee/s, Trade Union and manager consider that a shorter formal consultation would be more appropriate (e.g. to minimise anxiety) then this can be agreed. All parties must be in agreement in order to progress with a shorter formal consultation period.

- 5.4 It is emphasised that the above are minimum periods. Longer periods may be appropriate depending on the complexity of the situation, for example a large number of individual meetings needed with employees to discuss the impact of relocation or working hours.
- 5.5 If 20 or more redundancies are proposed at an establishment the Department for Business, Enterprise and Regulatory Reform (BERR) must also be notified on Form HR1. A copy of the form must also be given to the Trade Union(s) by the HR Manager.

6. Scope of consultation

- 6.1 Consultation must take place with the Trade Union(s) recognised in respect of category(ies) of employees affected, whether or not any of the employees are Trade Union members. 'Employees affected' means employees who are actively at risk of redundancy and those affected by measures associated with redundancies e.g. employees having to take on reallocated work.
- 6.2 Employees on maternity/paternity/adoption leave, long term sickness absence, secondment and career breaks should also be formally consulted with and therefore appropriate arrangements should be put in place to enable this e.g. inviting to meetings, sending information to home address etc.
- 6.3 The distribution of the proposal outlining the service/organisation/team change will trigger the start of the formal consultation period; a copy will also be given to the trade unions. The number of individual and collective meetings should be appropriate to the change proposed to ensure that both employees and Trade Unions are given sufficient opportunity to consider the proposals, ask questions and suggest alternative options.
- 6.4 At the end of the formal consultation period, and once all comments suggestions have been seriously considered, the proposal authorised by the lead officer and HR will be forwarded to affected employees and Trade Unions.

7. Avoiding or minimising redundancies

The Council is committed to minimising the number of compulsory redundancies and therefore the following organisational measures should be used where appropriate:

- Deletion of vacant posts
- Restriction on recruitment
- Cessation of reduction in overtime
- Voluntary reduction in hours
- Voluntary redundancy
- Termination of casual contracts

- Termination of fixed term/temporary contracts – only if connected with the restructure

As well as broad organisational measures more specific options can be adopted during the redundancy process such as:

7.1 Restriction on recruitment of permanent staff

In an area (the affected area) where jobs have been identified as 'at risk' no further permanent employees should be recruited while there remains jobs at risk. The affected areas' will be determined by the HR Manager in consultation with the recognised Trade Unions. Vacancies within the affected areas may be filled through short term arrangements.

7.2 Redeployment of employees whose jobs are at risk

In order to achieve redeployment, it may be necessary to restrict recruitment in areas other than that which is affected by job losses. The HR Manager will inform the relevant 'at risk' employees of all vacancies. Unless the service manager reasonably concludes that a post is unsuitable, 'at risk' employees will be informed of all vacancies and will be guaranteed an interview for any post for which they apply. This is guaranteed subject to the employee meeting the essential criteria of the job role or could meet the essential requirements following training. All appointments will be made on merit.

Employers are under a statutory obligation to offer employees on maternity leave any suitable alternative vacancy. This means that if a vacancy that is suitable for the employee exists she must be offered the post even if this means that she is treated more favourable than other employees at risk. Further advice should be sought from HR.

7.3 Trial Period

An employee who accepts redeployment will be entitled to a twelve week trial period. During this time, both the employee and his/her manager will assess whether or not the work is really suitable. This period may be extended by mutual agreement between both parties where there is a need for further training to carry out the new work. If either the manager or the employee feels that the work is not suitable, then the employee will have the right to return to his/her previous post (if still available) without any loss of employment protection rights.

7.4 Personal Protection of earnings

In order to encourage new employees to be redeployed into jobs with lower earning potential, the earnings will be protected in a red circle basis (i.e. frozen – no incremental progression or pay awards) for two years or until the maximum salary for the new post becomes higher than the frozen salary, whichever is the earlier. The cost of protection will be met by the original employing service area.

8. Procedure for handling redundancies

8.1 Voluntary Redundancy

The Council may consider applications on an individual basis for voluntary redundancy. Applications for voluntary redundancy will be considered on the by the Strategic Leadership Board in consultation with the Chief Officer or Service Manager.

8.2 Compulsory Redundancy

When consultation has concluded and all alternative measures have been exhausted (i.e. voluntary redundancy,) the individuals who will be affected by the redundancy will be notified as soon as possible. The criteria to be applied when determining which employees will be selected for redundancy will be agreed following consultation with the Trade Unions.

A meeting/s with the individual employees affected will be arranged to discuss the selection decision and support measures. Employees may be represented by a Trade Union representative or work colleague at these meetings.

Redundancy notice letters will be issued in line with the contractual notice period.

8.3 Redundancy Payments

Financial compensation for both voluntary and compulsory redundancy will be calculated using the statutory redundancy method (based upon age and length of service) to determine the number of weeks entitlement multiplied by the actual weekly earnings. This is set out in the severance scheme in Appendix A to this policy.

8.3 Retirement

For employees who are in the Local Government Pension Scheme and are either choosing to retire; are retiring on the grounds of efficiency; or at risk of redundancy they may be entitled to additional benefits in connection with their pension. Please contact the HR team for more information.

8.4 Appeal

An employee has a right to appeal against their redundancy dismissal. The appeal must be submitted in writing setting out the grounds of appeal and sent to the HR Manager within 10 working days of receipt of the letter.

9. Supportive Measures

When an employee has been placed 'at risk' the Council will offer any support reasonably possible to help the employee obtain alternative employment. This may include:

- Reasonable paid time off to look for new employment
- Reasonable time off to make arrangements for training for future employment
- Access to outplacement services – offering practical career coaching support i.e. CV writing
- Typing and photocopying facilities
- Benefits advice

SEVERANCE SCHEME

The following outlines the redundancy payment scheme which will apply to all employees who are made either voluntarily or compulsorily redundant. The Council will offer compensation in line with the following circulars and acts:

Subject to a period of 2 years reckonable and qualifying service having been completed; The Redundancy Payments (Local Government) (Modification) Order 1983; The Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006; The Employment rights Act 1996.

- 1.1 The Council will offer a redundancy payment, subject to the following criteria which will grant to employees:
 - (a) The aggregate of continuous service with previous employers covered by the Redundancy Payments (Local Government) (Modification) Order 1983 will be taken into account for redundancy calculations;
 - (b) The maximum payment under the Redundancy Payments Scheme will not be applied and the employee's actual weekly income will be utilised for the calculation of redundancy payments. The total number of redundancy weeks paid will be determined by the entitlement as set out in the Statutory Redundancy Payments Scheme multiplied by a factor of 1.5.
- 1.2 Employees with an outstanding car loan will be required to repay the outstanding amount from their severance payment and/or final salary.
- 1.3 For those employees made redundant the council will not require repayment of relocation expenses or training expenses as determined within the conditions of service.
- 1.4 When using a weeks pay within these calculations the definition of a week's pay includes pay for contractual hours worked plus any additional contractual entitlement under the employee's contract (i.e. shift payments).
- 1.5 If an employee who is under notice of redundancy receives an offer of a job from another Modification Order body before the termination of his or her employment and takes it up within 4 weeks of the end of the old employment, there will be no dismissal for redundancy payment purposes. Please contact HR for more information.
- 1.6 The Council has adopted a provision within the Discretionary Compensation Regulations 2006 to allow an employee (who is a member of the Local Government Pension Scheme) the option to convert the cash sum in excess of the redundancy payment into additional pension scheme service. (The excess cash sum being the sum of monies derived from applying the multiplier of 1.5). If an employee wishes to convert the cash lump into additional pension

scheme service, then HR should be notified prior to the termination date of employment.