

Personnel Committee – 3rd October 2014

Redundancy & Redeployment Procedures

Service: Human Resources

Wards: All

1. Purpose of the report

To request approval for the revised Redundancy and Redeployment Procedures (appendices 1 and 2).

2. Recommendations

Personnel Committee is recommended to agree with effect from 6th October 2014:-

- The revised Redundancy Procedure.
- The revised Redeployment Procedure.

3. Background

On the 15th May 2014 CMT considered a report on Organisational Development Initiatives for 2014/2015. As part of this report it was agreed that 'Helping the Council meet the challenges of the budget situation' was a priority and two specific deliverables (amongst others) were identified as critical to this outcome; revised Redundancy & Redeployment Procedures.

Following consultation and engagement with CMT, managers and Trade Union colleagues over recent months as well as detailed lessons learnt reviews following the budget process 2013/2014, the following issues have been identified with the current procedures;

- from start to finish both processes are too lengthy and time consuming for managers and employees
- there are too many meetings in the redundancy process
- too many people are placed 'at risk' and unnecessarily given access to redeployment opportunities prior to their local reorganisations completing
- the redundancy procedure needed updating in line with current statutory requirements
- greater support and additional training is needed for managers to help them manage redundancy situations and the difficult conversations that can occur during this time

The revised Redundancy & Redeployment Procedures address each of the above points and will provide the Council with greater clarity and flexibility to deliver ongoing budget savings over future years.

The new procedures include the following key points:

Redundancy Procedure

- Minimum timeline for redundancy to take effect reduced from a 20 weeks / 139 days (which in practical terms is often much longer) to 8 weeks / 56 days (assumes minimum notice periods observed in both cases)
- Minimum consultation timeframes reduced, in line with current legislation, from 90 days to 45 days prior to first dismissal taking effect (when proposing to make more than 100 employees redundant)
- Procedure allows for quicker periods of consultation dependent upon the complexity and number of employees involved
- Minimum number of consultation meetings reduced
- Introduces a simple 4 step process
- Removal of the appeal against selection for redundancy prior to dismissal being confirmed (2 opportunities to appeal reduced to 1 opportunity)
- Removal of Consideration of Dismissal hearings that unnecessarily prolong the redundancy taking effect and savings being realised

Redeployment Procedure

- Redeployment period linked to individual notice periods
- Allows redeployment access to vacancies and additional support to be directed to those who actually need the support (i.e. are genuinely 'under notice') reducing the large number of employees unnecessarily placed on redeployment
- Managers to be the decision makers regarding employee suitability for a redeployment vacancy
- Pay protection (for those redeployed due to a potential redundancy situation) to apply where the post accepted is no more than two grades below the current substantive grade, reducing costs associated with pay protection
- Redeployment opportunities to be limited to the current substantive grade

In addition, the Redundancy & Redeployment Procedures will be accompanied when launched with additional supportive tools to help managers implement more easily and efficiently the new processes, these will include as relevant, the following;

- Guidance notes
- Step by step flowcharts
- Training
- Template letters and simple pro-forma's

4. Financial

The revised redundancy and redeployment procedures aim to address the issues identified with the current processes and provide the Council with greater clarity and flexibility to deliver ongoing budget savings over future years.

Historically the cost of any redundancies linked to savings proposals have been met corporately from an earmarked reserve, however it must be noted that there is no specific budget for costs of redundancies or pay protection for redeployed staff, and service areas must identify where the full costs associated with any redundancy or pay protection will be funded from prior to entering into any agreement.

5. Legal

No legal implications arising out of this report.

6. Risk Management

No risk management implications arising out of this report.

7. People

Contained within the report.

An Equality Impact Assessment (EqIA) has been completed on the procedure and actions will be incorporated into the launch once approved.

8. Consultation

The revised Redundancy & Redeployment Procedures were consulted upon with senior managers across the Council and approved by CMT.

The Trade Unions are supportive of the revised Redundancy and Redeployment Procedures.

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Redeployment Procedure

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This procedure links to:

- Redundancy Procedure
- Recruitment and Selection

If you would like this information in another language or format contact the HR Absence & Customer Support Team.

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1.0 Purpose

- 1.1 The purpose of this procedure is to provide clear guidance and set out effective arrangements to consistently and fairly manage the redeployment of employees into alternative posts and the circumstances where such action may be necessary.
- 1.2 The Council will aim to support employees and redeploy them into alternative posts within the Council where it is deemed necessary. Such circumstances could include organisational change, redundancy situations, medical grounds, or in exceptional circumstances as part of a management process (e.g. performance management outcome, disciplinary hearing outcome).

2.0 Scope of this procedure

- 2.1 This procedure applies to all Council employees with the exception of directly employed school based staff, Assistant Directors, Executive Directors and the Chief Executive.
- 2.2 This procedure does not apply to casual employees or agency workers.

3.0 Redeployment principles

- 3.1 Redeployment can occur, when notice has been given, for the following reasons:
 - Dismissal - compulsory redundancy
 - Dismissal - capability due to health grounds (medical redeployment must be advised by occupational health prior to any dismissal decisions being made)
 - Some other reason and for whom in exceptional circumstances redeployment has been approved (e.g. through a formal disciplinary or performance management process as part of the recommended outcome).
 - Where employees who with management support have elected to resign their post and seek alternative employment through the redeployment process (during their notice period), due to an irreconcilable breakdown of working relationships.
- 3.2 Employees once eligible for redeployment will be placed on a central redeployment register held within Human Resources.
- 3.3 Employees can remain on the redeployment register during their notice period and as such will have preferential access to employment opportunities within the Council.
- 3.4 Employees on the redeployment register are entitled to priority interviews for posts up to and including their current substantive grade, where they meet the required selection criteria or would do so given suitable training within a reasonable timeframe. In addition, employees currently on the redeployment register that have been downgraded as a result of a previous restructure or job evaluation exercise within the



previous three years are also entitled to priority interviews for posts up to and including their previous substantive grade.

- 3.5 All redeployment applications will be considered in line with the principles of the Councils recruitment and selection processes to ensure fair, transparent and objective appointments. In normal circumstances other candidates will not be considered whilst the redeployment selection process is taking place.
- 3.6 Employees are required to fully participate in the redeployment process and whilst managers will support employees during this period, the onus is on the employee to actively search for alternative employment.

4.0 Redeployment process

- 4.1 Once a redeployment situation has been identified and appropriate notice issued / confirmed in writing the employee can be placed on the redeployment register.
- 4.2 Managers should complete the redeployment registration form and send this to Human Resources. As soon as employees are registered they are able to submit redeployment application forms for any posts that are advertised as redeployment vacancies.
- 4.3 Redeployment applications will be given preferential consideration as outlined in section 3.5 of this procedure.

5.0 Redeployment trials

- 5.1 Employees are entitled to a 4 week trial in any redeployment opportunity they secure. This is to ensure that the position is right for the employee and also that the employee can successfully fulfill the requirements of the post. Where any redeployment trial exceeds beyond the employment termination date, the termination date will be extended in line with the end of the trial period to allow for the 4 week trial to continue. This will be confirmed to the employee in writing along with details of the redeployment trial.
- 5.2 Where redeployment trials are unsuccessful, evidence must be provided to demonstrate the support provided by the manager and an explanation of where and why the employee has been unable to fulfill the requirements of the role. The manager should seek HR advice on this matter. Written confirmation of this must be provided to the employee and copied to the redeployment team in HR.
- 5.3 It may be necessary for managers to consider reasonable adjustments that maybe required to support employees who have a disability during a trial period. These may include physical aids, restrictions on duties or some other reasonable supportive measure. If any employees require reasonable adjustments to be made during a trial



period they must inform / discuss their requirements with the redeployment team at the earliest opportunity so the appropriate support can be provided.

6.0 Pay protection

- 6.1 Pay protection will only apply where the redeployment was due to a potential redundancy situation or dismissal on health grounds.
- 6.2 Where employees are redeployed at a lower grade, pay protection arrangements will apply if the post is graded no more than two grades below the employees' substantive post. Where employees accept a post that is graded three or more grades below their current substantive post, no protection will apply.
- 6.3 Pay protection will be in line with the Council pay protection arrangements and will commence once the employee is formally appointed into the post following the trial period.
- 6.4 Pay protection applies to the grade of the substantive post and not the amount of hours worked, therefore pay protection will be pro-rata if the employee accepts a post at fewer hours.
- 6.5 Annual leave entitlement will also be in line with Council pay protection arrangements (on a pro-rata basis for fewer hours) where annual leave is affected by a grade reduction, as per 6.2 above.
- 6.6 All other terms of the employees' substantive post will not be protected (e.g. unsociable hours payments, car user allowances etc...).

7.0 Employee support

- 7.1 The Council's Human Resources service will be available to support managers and employees through the redeployment process and are able to arrange other specific support mechanisms to optimise the chance of employees finding alternative employment.
- 7.2 In addition the Council's confidential counselling service provider offer free independent confidential advice to employees and their immediate families.



Redundancy Procedure

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This procedure links to:

- Redeployment Procedure
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1.0 Purpose

- 1.1 The purpose of this procedure is to provide a clear, consistent framework for managing redundancy situations. Walsall Council is committed to maintaining job security for its employees wherever practicable and will seek to avoid or reduce any negative impact of redundancy on its employees.

2.0 Scope of this procedure

- 2.1 This procedure applies to all Council employees with the exception of school based staff, Assistant Directors, Executive Directors and the Chief Executive.
- 2.2 This procedure does not apply to casual employees, agency workers or those on fixed term contracts where the initial contract is expiring at its predefined and known end date and is not due to a redundancy situation, contact HR for further guidance.

3.0 Responsibilities

3.1 Human Resources will;

- Provide advice and guidance to managers and employees on the application of this procedure
- Provide redundancy payment information in accordance with this procedure
- Provide a registration process to access redeployment opportunities in accordance with this procedure
- Review and update this procedure in accordance with legislative changes, best practice and business needs as required

3.2 Executive Directors/Assistant Directors, Heads of Service will;

- Ensure that this procedure is applied consistently, fairly and objectively within their directorates / service areas
- Ensure that managers are aware of the correct procedures to follow and are supported accordingly to apply this procedure
- Ensure that any redundancies are approved in line with this procedure

3.3 Managers will;

- Ensure they understand and apply this procedure consistently, fairly and objectively and seek further advice from Human Resources where necessary
- Support all employees (reasonably and practicably) affected by a redundancy process
- Provide meaningful consultation and engage with employees and their representatives through the process ensuring timely and relevant feedback is provided



- Ensure that employees are treated in accordance with the Council's Equality and Diversity protocol
- Conduct an Equality Impact Assessment (EqIA) on redundancy or organisational change proposals

3.4 Employees will;

- Familiarise themselves with the redundancy procedure
- Actively and positively engage in the consultation process
- Actively engage with support mechanisms available, utilising the redeployment process to proactively search for alternative employment

4.0 When should this procedure be used?

4.1 This procedure should be used to manage all redundancy situations from individual cases to those arising from large scale organisational change. A genuine redundancy arises when employees are dismissed due to;

- The employer stopping or intending to stop the continuation of the business/service
- The employer stopping or intending to stop the continuation of the business/service at the employees place of work or site
- The employer reducing or stopping or intending to reduce or stop work of a particular kind conducted by the employee or conducted at the employee's place of work or site

The above may result in;

- 4.1.1 The identification of a specific post(s) being identified for deletion (e.g. an individual post being deleted resulting in the individual being made redundant, or for example, a team of 3 posts all being deleted resulting in 3 redundancies)
- 4.1.2 The need to reduce the number of employees fulfilling a specific post (e.g. a team of 6 being reduced to a team of 3 resulting in 3 redundancies)
- 4.1.3 The need to reorganise the structure / positions of a whole team or service or part of a team or service effecting some or all of the posts within the team or service and resulting in redundancies.

This procedure should be used to address each of the above situations.

4.2 The Council will seek to minimise or avoid redundancies where possible and should consider the following measures prior to making redundancy dismissals;

- natural wastage
- restrictions on recruitment
- retraining and seeking alternative work
- reduction of overtime/honoraria payments



- seeking volunteers for redundancy/early retirement in accordance with Council policies and procedures
- restricting the use of temporary staff/agency staff

This is not an exhaustive list.

5.0 Collective consultation and disclosure of information

- 5.1 The Council will begin collective consultation with appropriate Trade Union representatives prior to any dismissal taking effect, in line with current legislation, which is currently:

Number of employees proposed to be made redundant	Consultation timescale (days)
20-99	30
100+	45

- 5.2 In cases where less than 20 employees are proposed to be made redundant the Council will aim to begin consultation at least 30 days prior to any dismissal taking effect, unless circumstances prevent this from being possible.
- 5.3 Collective consultation will take place with recognised Trade Unions normally through the Joint Negotiating Consultative Committees (JNCC's) and/or Employee Relations Forum (ERF). Collective consultation should commence prior to the start of any formal individual consultation with employees, they can however run alongside each other.
- 5.4 A business case explaining the reason for the proposed redundancies should be provided in writing to the recognised Trade Unions at the start of the consultation process. The following specific information should be disclosed within the business case;
- the reason for the proposed redundancy dismissals (the rationale)
 - the number(s) of proposed redundancies and details of the post(s)
 - the total number of employees potentially affected by the proposals
 - the proposed method of selecting those who may be made redundant
 - a proposed timeline for the consultation and redundancy process to take effect
 - information about how employees can contribute and feedback their views
 - the redundancy procedure including the method of calculating any redundancy payments due
 - the number of agency workers, where they are working and the type of work they are doing
 - In the case of reorganisations a current and proposed structure chart should be provided to identify the changes being proposed and the effects this will have.



- 5.5 The length of consultation is likely to vary depending upon the number of people involved and the complexity of the proposals. The consultation must be meaningful and in order to allow for and demonstrate this, consultation periods may vary in length.
- 5.6 An Equality Impact Assessment (EqIA) should be completed for all redundancy proposals/business case proposals. The EqIA needs to be started at the beginning of the proposal and updated throughout as necessary.

6.0 The redundancy process

6.1 Step 1 – Redundancy business case

Managers will complete a business case that details the redundancy proposal(s) including the reason for the proposal (refer to section 5.4). The completed business case should then be shared with Trade Unions and employees as set out below.

6.2 Step 2 – Collective consultation and employee consultation (placing employees 'at risk' of redundancy)

The redundancy business case should be shared in writing with recognised Trade Union officials (normally through ERF / JNCC's) prior to individual consultation commencing with employees. The sharing of the business case with Trade Unions commences the collective consultation period.

In addition to collective consultation with Trade Unions, managers are required to consult on an individual basis with affected employees. This includes all employees who are potentially affected by the redundancy proposal, including those who are absent from work for any reason (e.g. employees who are on maternity/paternity/adoption leave, sickness absence, etc...).

Depending on the number of employees affected and the impact of the proposal, the choice of the initial consultation (1-to-1 or group meeting) will be decided by the manager. Either way, each individual employee must be invited in writing to the meeting and provided with a minimum of 5 working days advance notice reminding them of their right to representation. During this initial consultation meeting the proposals will be shared with the employee and they will be given a letter confirming that they are 'at risk' of redundancy.

At this meeting, managers should;

- Explain the reason for the redundancy proposal
- Issue each employee with the business case and their 'at risk' letter
- Confirm the reason why the employee is at risk of redundancy
- Explain the consultation process and the proposed timeline for consultation
- Explain to the employee what support is available



During the individual consultation period managers must hold at least one further individual consultation meeting with potentially affected employees. Consultation meetings must be recorded to evidence the discussions that took place. Employees can request additional consultation meetings and these should not reasonably be refused. Employees should be given at least 5 working days advance notice of their consultation meeting in writing and reminded of their right to representation. Employees who do not want to attend individual consultation meetings should confirm this in writing to their manager.

Where there are large groups of employees the individual consultation meetings can be held as a group meeting where this is mutually agreeable.

The purpose of consultation is to provide an opportunity to discuss and explore all available options with employees and their representatives. Consultation discussions should focus on the following;

- the proposed changes and why they are needed
- the process to be followed and associated timescales
- employees feeding back their views, suggestions and comments on proposals
- any alternative proposal options the employee want to put forward
- considering alternative options that will help to mitigate potential redundancies
- mitigating the effects of redundancy dismissals (e.g. voluntary redundancy)

6.3 Step 3 – Confirm redundancy proposal(s)

Once consultation has closed and following due consideration of all comments or suggestions received, including consideration of any voluntary redundancies, managers will finalise the redundancy proposal(s). The final business case for redundancy will then be shared with Trade Union officials and relevant employees and will confirm which post(s) are to be made redundant.

In some cases the redundancy situation may result in the need to select those employees who are to be made redundant in accordance with the process set out in the finalised business case.

Following the finalised business case employees who are no longer at risk or who need to go through a selection exercise will be informed in writing.

Prior to managers issuing formal notice of redundancy to any employee they must complete the 'Authorisation to make post redundant' form.



6.4 Step 4 – Issue formal notice of redundancy

Employees should be invited to this meeting in writing with a minimum of 5 working days advance notice and a reminder of their right to representation. The formal notice meeting should only be held once the 'Authorisation to make post redundant' form has been completed and approved. The manager must also formally register the employee with the redeployment team so that the employee can access redeployment opportunities as soon as they are issued with their formal notice.

At this meeting, managers will issue the employee with their formal notice of redundancy in writing and will discuss the following;

- confirm that the employee has been issued with their formal notice and what the last working day will be (notice periods will be issued in line with the employees terms and conditions)
- confirm the reason for the redundancy situation and explain to the employee what support is available during their notice period
- confirm that the employee can access redeployment opportunities with immediate effect and this will continue for the duration of their notice period
- managers will make themselves reasonably available to meet with employees during their notice period as requested to provide any additional support or advice as required, and arrange any support meetings as necessary to review progress / support the employee to find suitable alternative employment
- inform the employee of their estimated redundancy payment (if applicable) once this has been confirmed by the payroll and pensions team within HR
- the manager should inform the employee that they have the right to appeal against their redundancy and details of this should be included within the notice letter (refer to section 10).

- 6.7 Any alterations to the minimum timescales referred to within this procedure may be amended by agreement with individual employees; confirmation of any such agreements must be in writing.

7.0 Redeployment

- 7.1 Please refer to the Council's Redeployment Procedure.
- 7.2 Employees have a separate legal entitlement to be offered any suitable alternative work that is available if they are made redundant whilst on maternity leave, contact HR for further guidance.



8.0 Redundancy payments

- 8.1 Where employees are entitled to redundancy payments, the estimated figure should be provided to the employee in writing and can be obtained at the managers' request from the payroll and pensions team within HR.
- 8.2 Employees are entitled to the following redundancy payments after they have completed two years continuous local government (LG) service;

Employees age (years)	Redundancy entitlement
21 (or below)	half a weeks' pay per completed year of continuous LG service – up to a maximum of 20 weeks
22 - 40	one weeks' pay per completed year of continuous LG service – up to a maximum of 20 weeks
41 (or above)	one and a half weeks' pay per completed year of continuous LG service – up to a maximum of 20 weeks

- 8.3 Depending on the circumstances, the Council may waive its right to insist on employees working their notice and instead give a payment in lieu of notice.
- 8.4 Any offer of employment made by any local authority (or other specified body covered by the Modification Order) accepted whilst under notice of redundancy and commencing within four weeks of the date of redundancy would disqualify an employee from receiving a redundancy payment.

9.0 Pension benefits

- 9.1 The pension regulations provide for the immediate payment of accrued benefits to pensionable employees who are aged 55 or over with the minimum period of three months of pension scheme membership when employment is terminated:

- (i) by reason of redundancy, or
- (ii) in the interests of the efficient discharge of the employer's functions.

Contact HR Pensions team for further information.

10.0 Appeal process

- 10.1 Employees have the right to appeal against their redundancy dismissal and if they wish to exercise this right, they should submit their appeal in writing to the Head of HR within 10 working days of the date of their formal notice letter. The appeal should clearly state the grounds of the appeal which would normally be for one of the following reasons;
- against the selection for redundancy
 - against the implementation of the redundancy process followed



- against the termination of employment on the grounds of redundancy

10.2 All appeals will be in accordance with the Council's Appeals Procedure. Employees have the right to representation at appeal hearings.

11.0 Employee support

- 11.1 The prospect of being made redundant can cause considerable anxiety. The handling of redundancies requires managers to not only comply with employment law and good practice but to be able to demonstrate tact, diplomacy and empathy when dealing with employees who are facing such situations.
- 11.2 The Council's Human Resources service will be available to support managers and employees through this process and are able to arrange other specific support mechanisms to optimise the chance of employees finding alternative employment.
- 11.3 Employees will be allowed a reasonable amount of time off work to look for alternative employment including time to attend interviews and they will also be supported to access appropriate training (where reasonable / relevant) to help them to find alternative work.
- 11.4 In addition the Council's confidential counselling service provider can offer free independent confidential advice to employees and their immediate families.

