

Management of Change Policy

Version	Date	Status	Comments
1.0	February 2020	Draft	<ul style="list-style-type: none">• Amalgamated 4 separate documents:<ul style="list-style-type: none">○ Management of Change Guidance○ Early Retirement and Redundancy Policy○ Voluntary Redundancy Framework○ Flexible Retirement Policy
1.1	April 2020	Draft	<ul style="list-style-type: none">• Further revisions following discussions with Corporate Leadership Team
1.2	July 2020	Draft	<ul style="list-style-type: none">• Consultation version
1.3	August 2020	Draft	<ul style="list-style-type: none">• Post consultation version

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1. Introduction

It is the aim of the Council to ensure, as far as practicable the security of employment for its employees. However, there may need to be changes made in staffing to reflect changing circumstances, for example changes in competitive conditions, outsourcing, organisational requirements and/or technological developments. It is the agreed aim of the Council and the Trade Unions to maintain and enhance the efficiency and effectiveness of the Council in order to safeguard the current and future employment of the Council's employees.

Outlined below are the steps the Council will go through when dealing with organisational change, which leads to a restructuring within the Council and any significant changes to working arrangements, which have implications for staff. The aim of this procedure is to avoid, reduce or limit redundancy and raise awareness to assist those affected to retain self-respect and enhance employability whilst maintaining good employee relations.

It is jointly acknowledged that it is in the interests of both the Council and staff that they both be responsive to changing circumstances. It is the Council's responsibility to be aware of and assess these changing demands and to develop the appropriate response to them. The Council will consult and where appropriate will seek to reach agreement through negotiation with the Trade Unions, representatives and staff before proceeding to implement the change. The Council will keep the Trade Union and staff representative as fully informed as possible about staffing requirements and any need for redundancies.

It is accepted that staff, with their representatives and trade unions, should have the opportunity to put forward their views on any proposals.

The intention of these procedures is to achieve an outcome which is acceptable to all parties, and every effort should be made to reach a resolution of difficulties within appropriate timescales which recognise the urgency of the proposal.

The Council recognises that employees have a right to be informed about the Council's economic circumstances, employment prospects and decision which may lead to substantial changes to the organisation including redundancies.

2. Scope of Application

This procedure will apply to all individuals employed by the Council including employees on fixed term contracts.

3. Governance

Any organisational restructuring or significant change programmes will be undertaken in a structured approach to ensure effective communication with those concerned and completion of the restructuring exercise in a time limited period. This will help to reduce undue anxiety and stress for those affected.

Where deemed appropriate during organisational restructure, a Management of Change Panel will be established to oversee the restructuring process. The Management of Change panel membership will consist of two representatives from the Corporate Leadership Team, up to two Trade Union representatives, and one representative from the HR team. **If the need arises and if deemed appropriate to the circumstances of the change, one or more representatives from another local authority who are at a senior manager level, and a staff representative can also be included on the panel.** Corporate Leadership Team representatives may not consider matters which directly affect themselves and union representatives may not participate in or consider matters which affect themselves or their immediate colleagues.

The Management of Change Panel will be chaired by a Corporate Leadership Team representative or nominated deputy. The Chair or their nominated deputy will have the casting vote where agreement cannot be made.

Notwithstanding the constitutional arrangements of the Council regarding decision making, the Management of Change Panel will be responsible and accountable for:

- Deciding the process, plans and timings for handling the restructure;
- Considering any responses highlighted in the consultation process;
- Approving assimilations, ring-fencing and appointments to posts in the new proposed structure;
- Approving voluntary exit requests;
- Approving estimates of redundancy payments, early retirement and pension benefits for affected employees;
- Identifying redundant posts;
- Monitoring staff levels in order to ensure that targets are met effectively, particularly to facilitate redeployment;
- Processing documentation and maintaining records of all proposed and actual redundancies, early retirements, and associated payments;
- Liaising with managers to ensure retraining of redeployed employees where appropriate;
- Preparing, authorising and submitting final redundancy and early retirement payments where applicable;

Notwithstanding the constitutional arrangements of the Council, the Management of Change Panel will invite a member of the HR & Appeals Committee to participate in the selection activities described in 7.2, 7.3 and 7.4 below at Assistant Director level and above.

4. Planning

An indicative flow chart of the management of change process can be found at Appendix 1 although variants may be required depending on the nature of the change.

A project plan will be developed, covering consultation through to implementation, taking account of statutory consultation requirements.

A communications plan will be developed, including details of how key information and decisions will be communicated to those affected. The communications plan should provide opportunities for staff involvement at all appropriate stages of the restructuring process and regular briefings to staff and members.

Details of any new organisational structure, and/or other changes to working arrangements, will be developed, providing full details of the changes and reasons for changes to the recognised trade union and the staff. This should be completed at an early stage and should be provided for reasonable consultation prior to implementation.

4.1 Identification of Need for Redundancies

Restructuring exercises do not always result in redundancy; sometimes a change to the responsibilities of specific posts, or the way posts are carried out, can achieve significant benefits for the Council without the need for redundancies.

As part of the planning process, the Council will assess the existing and proposed organisational structures in order to identify whether there is likely to be a need for redundancies.

The definition of redundancy is a dismissal which is wholly or mainly attributable to actual, intended or expected cessation or reduction of:

- (a) the service or business, or
- (b) the requirement for the employee's work, both generally and in a particular place or
- (c) the requirements of the Council for employees:
 - i) to carry out work of a particular kind or
 - ii) to carry out work of a particular kind in the place where the employee was employed

5. Consultation

There will be consultation with the recognised Trade Union and staff representatives whose members will be directly affected, and with the individual members of staff concerned, at the earliest opportunity, where redundancy is contemplated.

This will include discussion with a view to reaching agreement on:

- The ways of avoiding dismissals;
- Reducing the numbers of employees to be dismissed;
- Mitigating the consequences of dismissals;
- Appropriate end dates for fixed term contracts.

The consultation will precede any public announcement of any redundancies. The Council will consult with individuals who may be affected by any redundancy proposal. The minimum consultation periods required to be given to the trade union and staff representatives in advance of the proposed redundancies will be:

- If the Council is proposing to dismiss up to 19 employees - consultation must begin at the earliest opportunity;
- If the Council is proposing to dismiss between 20 to 99 employees - consultation must begin at least 30 days before the first of any dismissals take effect;
- If the Council is proposing to dismiss 100 or more employees - consultation must begin at least 45 days before the first of any dismissals take effect.

The written information which will be formally communicated in the consultation will include:

- The reason for the proposals;
- The numbers and descriptions of employees it is proposed should be dismissed as being redundant;
- The total number of employees employed by the Council of the descriptions in question;
- The proposed criteria for selecting the employees who may be redundant;
- The proposed method of carrying out the dismissals, taking account of any agreed procedures, including the period over which the dismissals are to take effect;
- The proposed method of calculating the amount of any redundancy payments.

The Management of Change panel will consider and reply to any points made by the Trade Union/Staff representatives during the consultation process. Any alternative proposals submitted by the Trade Union/Staff representatives will be considered. The panel would welcome alternative proposals which seek to reach agreement on ways to avoid dismissals, reducing the number to be dismissed and mitigating the effects of dismissals. Proposals may be amended during consultation, taking account of discussions and negotiations with trade unions and staff.

The panel will, in consultation with the Trade Union/staff representatives, give the fullest consideration to all suitable courses of action prior to any redundancy notice(s) being issued. This action may include:

- The restriction or suspension of recruitment of permanent staff or in a particular area, or across the Council as a whole;
- The reduction or elimination of overtime;
- The reduction of casual employment (including Agency and Casual workers);
- The priority redeployment, relocation and retraining of employees who are deemed to be at risk of redundancy into suitable alternative employment;
- Filling vacancies, where possible, with existing staff;
- Voluntary redundancy, early retirement and voluntary redeployment;
- Natural Wastage;
- Short-time working;
- Any other practicable means that can be agreed.

6. Voluntary Exits and Changes to Employment Terms

The Council will consider applications for voluntary exit or change to employment terms as detailed in the sub-sections below. The Council reserves the right to amend or withdraw the procedures upon giving three months' notice of their intention to do so.

Estimate of Benefits

Without any commitment, an employee can apply to the Human Resources for an estimate of the payment(s) that they would receive should they wish to pursue one of the options below. If the employee is over the age of 55 and has at least 2 years' membership of the Local Government Pension Scheme, the estimate will also include details of the pension benefits that would be payable.

Application Process

If the employee wishes to proceed, they should speak to their line manager or contact the Human Resources section.

Decision Making Process

Applications will be considered and approved by the Management of Change panel or the relevant Director in conjunction with the HR Manager and Chief Finance Officer and will be based on the following criteria:

- The overall cost to the Council or whether any savings can be made;
- If there is a cost, whether it is affordable and reasonable having regard to foreseeable costs;
- The business needs of the service concerned;
- Any negative impact upon service delivery, or potential for service improvements;
- The need to retain particular skills, knowledge and expertise and whether these can be covered elsewhere at an acceptable cost;
- Any grounds of compassion which are identified;
- Any other relevant considerations;

If there are any other further criteria which need to be considered they will be shown in the relevant section below.

The Council will not normally re-engage former employees who have left the Council's service through voluntary redundancy, early retirement or early retirement in the interest of efficiency of the service.

6.1 Voluntary Redundancy

In order to avoid compulsory redundancies during an organisational restructure, the Council may consider applications for voluntary redundancy.

Eligibility

An application for voluntary redundancy can be made by any employee who has 2 or more years' continuous service.

Terms

Voluntary redundancy payments are enhanced at the rate of 1.5 times the value of compulsory redundancy.

Other Information

If an application for voluntary redundancy is approved, agreement will be reached between the Council and the employee in relation to the notice period which will apply to their early release. In cases where the employee is aged 55 or over and has at least 2 years' membership of the Local Government Pension Scheme, the Human Resources section will (where applicable) arrange for the pension administrators to make payment of the retirement benefits as soon as possible following the date of termination.

6.2 Early Retirement

There may be occasions, both within an organisational restructure and outside of it, where early retirement could be beneficial to both the Council and an employee. The Council would therefore consider applications based on the following:

Eligibility

In order to apply for early retirement, an employee must be aged over 55 and have at least 2 years' membership of the Local Government Pension Scheme.

Terms

Where an application for early retirement is granted, the employee would be eligible to receive the immediate payment of his/her retirement benefits. The benefits will be reduced to reflect the actuarial costs of the Council's decision to allow benefits to be paid earlier than the employee's normal retirement age. Please see section 8.4.2.

Other Information

If the application is approved, agreement will be reached between the Council and the employee in relation to the notice period which will apply to their early release. The Human Resources section will (where applicable) arrange for Your Pension Service to make payment of the retirement benefits as soon as possible following the date of retirement.

6.3 Early Retirement in the Interest of Efficiency of Service

There may be occasions, outside of an organisational restructure when the ability to achieve efficiencies of service are beneficial to both the Council and an employee. The Council would therefore consider applications based on the following:

Eligibility

Early retirement in the interests of business efficiency will only be considered in circumstances where there is no redundancy situation but there would be efficiency improvements resulting from the retirement.

In order to apply for early retirement in the interest of efficiency of the service, an employee must be aged 55 or over and have at least 2 years' membership of the Local Government Pension Scheme.

Terms

Where an application for early retirement in the interest of efficiency of the service is granted, the employee will be eligible to receive immediate payment of the unreduced retirement pension based on the accrued contributory service at the date the employment is terminated. Please see section 8.4.3.

6.4 Early Retirement on the Grounds of Ill Health

Due to the nature of this form of early retirement, it is likely that any application will form part of the management of a period of long-term absence experienced by an employee. Please refer to the Absence Management Guidance for Managers and Employees.

6.5 Flexible Retirement

There may be occasions, both during and outside of organisational restructure where flexible retirement could be beneficial to both the Council and an employee. The Council would therefore consider applications based on the following:

Eligibility

In order to make a request for flexible retirement, an employee must be aged 55 or over and have at least 2 years' membership of the Local Government Pension Scheme.

An employee must reduce their working hours or be employed at a lower grade.

Terms

Where an application for flexible retirement is granted, the employee will be able to draw all or some of their Local Government Pension Scheme benefits whilst continuing to be employed on reduced hours or at a lower grade.

If flexible retirement is approved, the pension benefits which are paid may be reduced to reflect the fact that the benefits are being paid early. However, it is possible for the Council to waive, in whole or in part, any reduction in benefits which may arise. Please see section 8.4.4.

Other Information

If an employee is considering applying for flexible retirement they should ask the Human Resources section to request a pension estimate as early as possible to determine whether there would be any cost to the Council.

If a request for flexible retirement is approved, the employee will inform the pension administrators that they wish to bring their pension into payment and the pension administrators will then send out the relevant documents. The Human Resources section can advise and assist the employee with this process if required.

If an application for flexible retirement is approved, agreement will be reached between the Council and the employee in relation to the effective date. Once implemented the changes which arise from the application of the flexible retirement will constitute a permanent change to the contract of employment.

6.6 Appeals

An employee who is dissatisfied with the decision of the Management of Change panel or the Director regarding voluntary exit may lodge an appeal. The appeal will be heard by the Head of Paid Service who will assemble an appropriate panel of people who have had no prior involvement with the process for that particular individual and which will include a Member of the HR and Appeals Committee, a representative from the Corporate Leadership Team and an HR representative.

The employee submitting the appeal may attend the panel and be accompanied by a trade union representative or a work colleague.

The employee must set out the grounds of his or her appeal in writing and send this to the Head of Paid Service within 10 working days of receiving the decision they are appealing against. The employee will be given notice in writing at least five working days in advance of the time and place of the hearing.

The appeal panel will meet as soon as reasonably practicable and ordinarily within 25 working days of the appeal having been lodged. The decision of the appeal panel will be final and the Head of Paid Service will have the final casting vote where agreement cannot be reached.

7. Implementing the Changes

In many cases any workforce changes required will be as a result of a restructuring programme. It would be usual for the Council to decide which of the following implementation options are the most appropriate depending on the circumstances of the change, whilst making every attempt, as far as is practicable, to avoid compulsory redundancies:

- Assimilation;
- Ring-fenced selection;
- Redeployment of staff at risk of redundancy;
- Internal recruitment;
- Voluntary exit;
- Compulsory redundancy.

More details of each of these processes can be found below.

7.1 Assimilation

Wherever possible, assimilation to posts in a new structure will be used. Assimilation would be appropriate where:

- A post is identified in the new structure as identical or including a minimum of 70% of duties undertaken by the postholder in the existing structure, and;
- The new post is of an equivalent grade/level and the salary is no more than £1,000 higher (pro-rata for part-time posts) than the existing post, and;
- **The postholder of the existing post is the only person considered eligible for the new post based on the criteria already listed above.**

The relevant Assistant Director or Head of Service will recommend to the Management of Change panel whether the assimilation criteria have been met. This will be based on a comparison of the new job description for the posts to the previous, and may also require further discussions with the relevant line manager(s), Director(s) and Human Resources to fully understand the duties and responsibilities of the new and displaced posts. If the post making the recommendation is in fact the post being assimilated, a suitable alternative decision maker(s) will make the recommendation to the Management of Change panel.

Where the job description for the existing post is out-of-date, the assimilation assessment will be based on the current responsibilities and duties of the post.

It is important to note that the assimilation exercise is based on the requirements of the new post as compared to the existing post and is not an assessment of the skills, abilities and experience of the individual undertaking the existing post.

Where agreement cannot be reached on whether assimilation should be applied, the Chair of the Management of Change panel will make the final decision based on the information available and after considering all the views which have been presented.

7.2 Ring-fenced Selection

Where the first two criteria for assimilation (as detailed above) are met but there is more than one person considered eligible for the new post, posts will initially be restricted and ring-fenced to those staff identified as assimilated.

Appointment to ring-fenced posts will be on a competitive selection basis and a fair and transparent process will be used. Consideration of alternative assessment methods to support the interview process should be made and may include exercises to test knowledge, skills, behaviours and demonstration of Council values.

7.3 Redeployment of Staff at Risk of Redundancy

All reasonable attempts will be made to find suitable alternative employment for potentially redundant employees. This allows the Council to retain valuable skills and expertise as well as meet its obligation to avoid compulsory redundancies wherever possible.

All staff at risk of redundancy will be given prior consideration for redeployment to a Council vacancy of equivalent grade/level, or the grade below, subject to meeting recruitment and selection standards.

If there is no suitable post available, an individual may be temporarily transferred to other duties or appointed to a temporary position pending redeployment, without losing rights to redundancy. During such temporary assignments, staff will remain at risk of redundancy and be considered for any suitable permanent vacancies which occur.

An employee who accepts an offer of alternative employment following written notification of redundancy will be allowed a trial period to see if the post is really suitable. This is for four weeks from leaving the previous job but may be extended to a maximum of 6 months by prior written agreement with the employee, in order to retrain him/her for the new job. The individual retains the right to redundancy pay if after the trial period the new post is deemed not suitable.

Employees who accept any alternative employment beyond the trial period will forfeit their right to redundancy payment.

Employees who unreasonably refuse offers of suitable alternative employment made before termination also forfeit their right to a redundancy payment. The onus is on management to show both suitability of offer and unreasonableness of refusal in light of full evidence presented by the employee in question.

‘Suitability’ means being substantially equivalent to the previous employment of the particular employee. The whole of the job must be considered; no one single factor is decisive. Factors which may be taken into account include skill/task, status, net pay,

hours of work, place of work, time and cost of travelling, working conditions, effect on employee's health.

'Reasonableness' concerns whether the employee, taking into account their personal circumstances was being reasonable in refusing the offer. Relevant factors include late or vague offer of employment, dependants to care for, age, health, unsocial hours and future job security.

The offer of suitable alternative employment will be made in writing and in sufficient detail to show the significant differences from the previous employment.

Final acceptance of the new employment by the employee should be clear and in writing.

7.4 Internal Recruitment

7.4.1 At Risk Employees

Where completely or substantially new posts are created, or for posts which are not sufficiently comparable to enable assimilation or post-specific ring-fencing, where the post does not represent a redeployment opportunity for an individual employee at risk of redundancy, or where vacancies arise for other reasons, such posts will be available in the first instance to the pool of employees who are at risk of redundancy at that time, and will be considered through restricted selection process.

Consideration of alternative assessment methods as part of the selection process should be made and may include exercises to test knowledge, skills, behaviours and demonstration of Council values.

7.4.2 All Internal Applicants

Where recruitment from the pool of employees who are at risk of redundancy has not resulted in an appointment, the post will be re-advertised to all employees of the Council and the usual internal recruitment process will be followed.

7.5 External Recruitment

If it has not been possible to fill a role via internal recruitment and vacancies remain, with agreement from the Management of Change Panel, posts will be advertised externally, and the Council's recruitment policy will apply.

7.6 Compulsory Redundancy

If there are circumstances when the above implementation options are not possible and the Council needs to make compulsory redundancies, a process to select employees for compulsory redundancy will be used.

Where criteria are used to select for redundancy, these will be objective criteria. The objective criteria will be precisely defined and capable of being applied in an independent way. Where possible selection will take account of skills and

qualifications to enable the Council to retain a balanced workforce which is able to meet future needs. The objective criteria may include:

- Attendance record – excluding any disability or maternity related absence;
- Disciplinary record;
- Skills and experience;
- Standard of work performance;
- Demonstration of behaviour in line with Council values;
- Cost of voluntary redundancy;
- Cost of early retirement.

Further guidance on the development of objective criteria can be found at Appendix 3.

The objective criteria will take account of the Council's obligations in relation to issues of equality and the prevention of discrimination. The Council is committed to establishing and applying a fair, consistent, objective and non-discriminatory selection procedure.

Management will seek to agree implementation of the exact selection criteria with the Trade Union and staff representatives.

If the employee would have been dismissed wholly or mainly for some other reason - eg. incapability, misconduct or statutory bar then dismissal is likely to be for that reason and not for redundancy. The relevant procedures will be used.

7.7 Notice of Dismissal and Counter Notice

Once all options for redeployment have been explored and redundancy is unavoidable, the statutory or contractual period (whichever is the longer) for a notice of dismissal on grounds of redundancy will apply.

An employee may leave before the expiry of the above period if:

- (a) The parties agree in writing to vary or waive their right to notice, involving no loss of unfair dismissal or redundancy rights;
- (b) The employee gives written counter notice (which may be less than the statutory or contractual notice periods) after being given notice by the employer, and this notice is accepted by the employer. There must be no loss of unfair dismissal or redundancy payments rights.

The normal arrangements regarding any outstanding annual leave etc. shall apply in respect of termination of employment.

7.8 Appeals

At any stage of the restructuring process an appeal can be lodged. The appeal will be heard by the Head of Paid Service who will assemble an appropriate panel of people who have had no prior involvement with the process for that particular individual and which will include a Member of the HR and Appeals Committee, a representative from the Corporate Leadership Team and an HR representative.

The employee submitting the appeal may attend the panel and be accompanied by a Trade Union representative or a work colleague.

The employee must set out the grounds of his or her appeal in writing and send this to the Head of Paid Service within 10 working days of receiving the decision they are appealing against. The employee will be given notice in writing at least five working days in advance of the time and place of the hearing.

The appeal panel will meet as soon as reasonably practicable and ordinarily within 25 working days of the appeal having been lodged. The decision of the appeal panel will be final and the Head of Paid Service will have the final casting vote where agreement cannot be reached.

8. Financial Implications of Change

8.1 Protection of Salary

Where an individual is redeployed to a lower graded post, their salary will be protected at 100% for a period of 12 months in accordance with the Council's Pay and Pensions Discretions policy. This protection will be effective from the date of taking up the new post.

Anyone who is redeployed to a lower graded post with grade protection may be redeployed again to an appropriate post at the original grade, where this is reasonable. If he/she chooses not to accept further redeployment, the salary protection will cease.

8.2 Excess Travel Expenses

Any excess travel expenses will be protected for a period of 12 months.

8.3 Redundancy Payments

8.3.1 Compulsory Redundancy

Redundancy payments are only payable to employees who have at least two years continuous Local Government service and whose service is terminated because of redundancy.

The payment will be related to the employee's length of service subject to a maximum of 20 years on the following scale:

- for each year of service from age 18 to 21 - half a week's pay
- for each year of service from age 22 to 40 - one week's pay
- for each year of service from age 41 - one and a half week's pay

The statutory redundancy pay reckoner is included as Appendix 2 to this policy

The Council will use actual weeks pay, rather than the statutory maximum, when calculating redundancy pay.

The payment is normally free from income tax up to the HMRC set threshold of £30,000.

8.3.2 Voluntary Redundancy

Voluntary redundancy payments will be enhanced by a multiplier of 1.5 times the compulsory redundancy payment.

8.4 LGPS Pension Benefits

8.4.1 Redundancy

Where an employee aged 55 or over and with at least 2 years' membership of the LGPS is made redundant, s/he will receive immediate payment of an unreduced pension and any lump sum based on the accrued contributory service at the date the employment is terminated.

8.4.2 Early Retirement

Where an application for early retirement is granted, the employee would receive the immediate payment of his/her retirement benefits. The benefits will be reduced to reflect the actuarial costs of the Council's decision to allow benefits to be paid earlier than the employee's normal retirement age. The actuarial reduction will depend on the age of the employee and length of membership of the LGPS, and will be in accordance with any transitional protection arrangements, the guidance of the Government Actuary and the applicable Regulations (e.g. The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007).

Further details on eligibility, application and decision-making processes can be found in section 6 and 6.2.

8.4.3 Early Retirement in the Efficiency of the Service

Where an application for early retirement in the interest of efficiency of the service is granted, the employee will be eligible to receive immediate payment of the unreduced retirement pension based on the accrued contributory service at the date the employment is terminated.

Further details on eligibility, application and decision-making processes can be found in section 6 and 6.3.

8.4.4 Flexible Retirement

Where an application for flexible retirement has been granted, an employee can reduce the hours worked or the grade at which he or she is employed and draw pension benefits whilst continuing in employment.

Further details on eligibility, application and decision-making processes can be found in section 6 and 6.5.

9. Employee Support

An immediate priority, if redundancies become unavoidable, is the fair and sensitive handling of the employees who are losing their jobs. The Council's ongoing effectiveness is dependent upon the morale of the retained staff.

The primary objectives of management will be to:

- Demonstrate the necessity for change;
- Develop honest and transparent, two-way communication;
- Give all the workforce a full explanation of the situation and explain the policies and practices to be adopted with those who may be made redundant;
- Provide guidance to employees whose role is made compulsory redundant to support future employment prospects;
- Provide a forward looking positive attitude for the future and show retained staff the value of the roles they will play in that future.

All staff, including potential candidates for redundancy, are encouraged to use the services of the Council's independent confidential counselling service if they are affected by organisational change and feel they need some additional support.

All reasonable options for training which will assist an employee to gain employment outside of the Council will be considered and those staff who are affected are encouraged to speak to their line manager or the Human Resources section to establish suitable training needs.

Where possible, specialist external resources will be offered to assist affected staff and may include services such as CV writing and vacancy matching.

9.1 Time Off to Find Jobs or Arrange Training

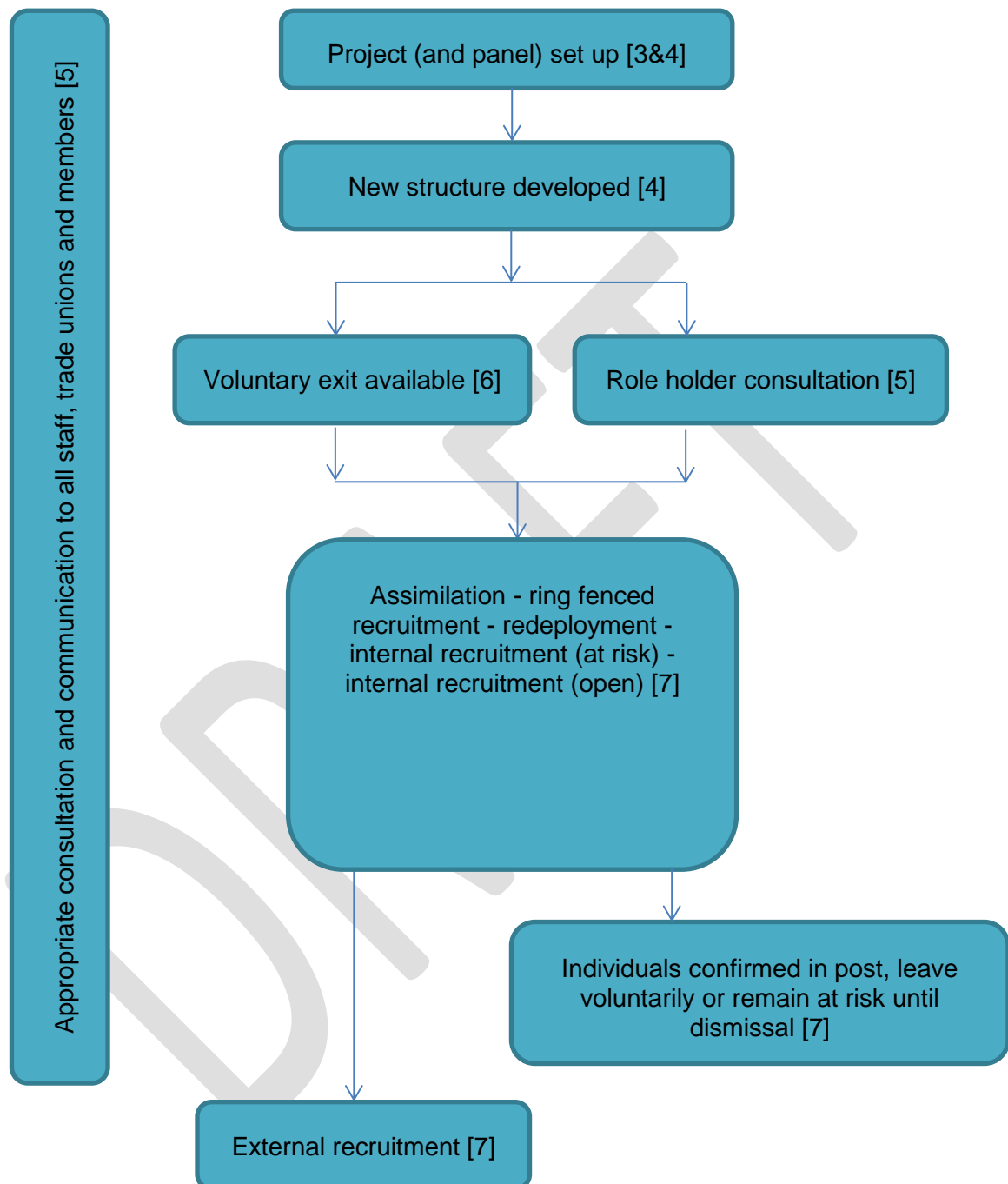
The Council will allow reasonable time off with pay to any employee who is under a formal notice of redundancy in order to seek employment or arrange training outside the Council; that is time off to travel to and attend an interview.

An employee may be required to show evidence of an appointment and/or interview.

The normal rules of prior permission for the time off work will apply.

Appendix 1 – Flow Chart – Suggested restructure process

NB, policy sections indicated where relevant



Appendix 2 – Examples & Information to help with pay calculations

	Statutory Redundancy Pay Table																		
	Numbers in table represent number of normal weeks' pay payable.																		
	Service (Years)																		
Age	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
17*	1																		
18	1	1.5																	
19	1	1.5	2																
20	1	1.5	2	2.5															
21	1	1.5	2	2.5	3														
22	1	1.5	2	2.5	3	3.5													
23	1.5	2	2.5	3	3.5	4	4.5												
24	2	2.5	3	3.5	4	4.5	5	5.5											
25	2	3	3.5	4	4.5	5	5.5	6	6.5										
26	2	3	4	4.5	5	5.5	6	6.5	7	7.5									
27	2	3	4	5	5.5	6	6.5	7	7.5	8	8.5								
28	2	3	4	5	6	6.5	7	7.5	8	8.5	9	9.5							
29	2	3	4	5	6	7	7.5	8	8.5	9	9.5	10	10.5						
30	2	3	4	5	6	7	8	8.5	9	9.5	10	10.5	11	11.5					
31	2	3	4	5	6	7	8	9	9.5	10	10.5	11	11.5	12	12.5				
32	2	3	4	5	6	7	8	9	10	10.5	11	11.5	12	12.5	13	13.5			
33	2	3	4	5	6	7	8	9	10	11	11.5	12	12.5	13	13.5	14	14.5		
34	2	3	4	5	6	7	8	9	10	11	12	12.5	13	13.5	14	14.5	15	15.5	
35	2	3	4	5	6	7	8	9	10	11	12	13	13.5	14	14.5	15	15.5	16	16.5
36	2	3	4	5	6	7	8	9	10	11	12	13	14	14.5	15	15.5	16	16.5	17
37	2	3	4	5	6	7	8	9	10	11	12	13	14	15	15.5	16	16.5	17	17.5
38	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16.5	17	17.5	18
39	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17.5	18	18.5
40	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18.5	19
41	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19.5
42	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5

Statutory Redundancy Pay Table (continued)																			
Age/ Service	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
43	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44	3	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5
45	3	4.5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46	3	4.5	6	7.5	8.5	9.5	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5
47	3	4.5	6	7.5	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48	3	4.5	6	7.5	9	10.5	11.5	12.5	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5
49	3	4.5	6	7.5	9	10.5	12	13	14	15	16	17	18	19	20	21	22	23	24
50	3	4.5	6	7.5	9	10.5	12	13.5	14.5	15.5	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5
51	3	4.5	6	7.5	9	10.5	12	13.5	15	16	17	18	19	20	21	22	23	24	25
52	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	17.5	18.5	19.5	20.5	21.5	22.5	23.5	24.5	25.5
53	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19	20	21	22	23	24	25	26
54	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	20.5	21.5	22.5	23.5	24.5	25.5	26.5
55	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22	23	24	25	26	27
56	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	23.5	24.5	25.5	26.5	27.5
57	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25	26	27	28
58	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	26.5	27.5	28.5
59	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28	29
60	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	29.5
61+	3	4.5	6	7.5	9	10.5	12	13.5	15	16.5	18	19.5	21	22.5	24	25.5	27	28.5	30

17* - The table starts at age 17, as it is possible for a 17 year old to have 2 years' service. Compulsory school leaving age can be 15 3/4 or 15 4/5 where a child is 16 before 1st September.

The following examples help to illustrate redundancy pay calculations:

Example 1: Employee A:

- Aged 24, 3 years' service, earns £18,731 per year
- Compulsory redundancy payment: £898 (2.5 weeks at £359 per week).
- Voluntary redundancy payment: £1,347 (£898 x 1.5)

Example 2: Employee B

- Aged 35, 8 years' service, earns £22,212 per year
- Compulsory redundancy payment: £3,408 (8 weeks at £426 per week).
- Voluntary redundancy payment: £5,112 (£3408 x 1.5)

Example 3: Employee C

- Aged 45, 14 years' service, earns £25,188 per year
- Compulsory redundancy payment: £7,728 (16 weeks at £483 per week).
- Voluntary redundancy payment: £11,592 (£7,728 x 1.5)

Example 4: Employee D

- Aged 55, 17 years' service, earns £27,840 per year
- Compulsory redundancy payment would be £12,816 (24 weeks at £534 per week).
- Voluntary redundancy payment: £19,224 (£12,816 x 1.5)

NB: In the case of Example 4, the employee would be entitled to the immediate payment of his/her pension which in many cases will incur additional cost to the Council. The additional costs would be assessed on a case by case basis as part of the application process.

Appendix 3 - Good Practice in the formulation of Redundancy Selection Criteria

General Principles

The purpose of having criteria is:

- 1) To enable management to make the difficult and sensitive decision of who to select for redundancy in a fair, objective and consistent a way as possible,
- 2) To retain, as far as possible, a balanced workforce with the necessary mix of skills and knowledge appropriate to the future needs of the organisation, and
- 3) To comply with legislative requirements ensuring that employees are not unfairly selected for redundancy.

The key requirement is that selection criteria must be, as far as possible, objective fair and consistent.

Selection Pool

Dismissal for redundancy may be unfair if it can be shown that whilst there is a redundancy situation, the circumstances apply equally to other employees who have not been selected.

It is important therefore that all relevant employees are considered and that this 'pool' of employees from which the selection will be made is itself fairly defined. The 'pool' will normally comprise of all employees of a particular description employed in a particular Directorate, Unit or workplace affected by the reduction in employee numbers.

Types of Criteria

Examples of objective criteria are given below. In practice some of these elements are capable of much greater objectivity than others. Some are of a largely factual nature; others require some element of subjective judgement.

The following is a list of possible criteria:

Criteria	Obtained From
1. Qualifications	Criteria should be defined on the Person Specification
2. Skills	Information on the employee should be available from the personal file/pro forma issued to the employee
3. Experience	Information on the employee should be available from the personal file/pro forma issued to the employee

4. Attendance Record (in so far as permissible)	Personal File / Dept. Records
5. Sickness Record (in so far as permissible)	Personal File / Dept. Records
6. Disciplinary Record	Personal File
7. Cost of Redundancy	Dept Budget / YPS
8. Standard of Work Performance	Objective Tests/Performance Appraisal Records/Manager
9. Behaviour in Line with Council Values	Objective Tests/Performance Appraisal Records/Manager

Selection for redundancy must not take account of:

- Trade union membership
- Sex
- Marriage and civil partnership
- Age
- Religion and belief
- Gender reassignment
- Racial or ethnic origin
- Disability
- Personal characteristics
- Sexual orientation
- Pregnancy and maternity

In practice the criteria would need to be drawn up with regard to the nature of the specific job(s) affected (particularly relevant for 1, 2 & 3), and the availability of some kind of objective evidence (particularly relevant for 8 & 9).

When applying any criteria, but particularly qualitative criteria, it is important that judgements are not made on subjective opinion. The criteria must be capable of objective assessment. It must be demonstrated that there has been a comparative (and fair) analysis of the information relating to all employees in the pool. Some type of analysis and scoring/ranking system would therefore be required.

In relation to any criteria based on attendance or sickness records (4 & 5) care should be taken to ensure that the period for which the record is assessed should be clearly identified and that judgement is exercised on the nature of absences. It would be fair, and necessary, to take into account such details as the likely recurrence of any illness or other reason for absence. Judgement should be made on the basis of likely future attendance record, taking into account not just total absence but frequencies of absences, reason for the absence, any improvements or deterioration in absence records. Care must also be taken not to discriminate on the grounds of disability or gender (e.g. maternity related absence).

Where criteria require judgements to be exercised it is important that this can be validated as far as possible, eg through the application of criteria, making records of the reasons for decisions. These steps will help encourage a consistent and objective approach to these parts of the procedure.

In general, when determining the criteria to be used for a specific job, and the application of any weighting to the criteria, it is advisable to give higher priority to those factors which are most easily measurable.

Method of Applying the Criteria

Consideration will need to be given to how the criteria will be applied, taking into account the nature of the job(s), the numbers of employees affected and the particular selection criteria.

Possible methods are:

Hurdle / Bar	The employee needs to meet a particular criterion. An employee 'failing' a criterion may be selected for redundancy.
Scoring	Allow for factors to be given the same score or for more important factors to be given a higher weighting, (the rules for operating the scoring system should be set out).
Ranking	A simpler version of scoring allowing employees to be ranked in order against each criterion with an overall score at the end of the process.

In general, the more complex the system, the greater the scope for making considered decisions but the greater the scope for claims of unfair selection. Where possible, keep it simple.

Unfair Selection

Dismissal of an employee selected for redundancy will be unfair if it is for one of the following reasons:

- The selection is in breach of a customary arrangement or agreed procedure unless there are special reasons to justify departure from it
- or
- The selection is for a trade union reason,
- or
- The selection is discriminatory,
- or
- The selection is on the grounds of pregnancy / maternity.

'Last in, first out' is no longer considered an acceptable criterion.