**Redundancy and Early Release**

|  |  |  |
| --- | --- | --- |
| Version Control | Changes Made | Author |
| Version 1 – April 2023 |  | HR |

Guidance

These guidance notes should be read in conjunction with the Redundancy and Early Release Procedure and the Managing Change Procedure, and relevant process maps.

[Index](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) (links)

* [Summary of Schemes](#SummaryofRedandERSchemes)
* [Statutory Redundancy Pay Ready Reckoner](#StatutoryRedundancyPayReadyReckoner)
* [VR Scheme](#VRScheme)
* [VR Self Estimate Calculator](http://www.cumbria.gov.uk/eLibrary/view.asp?ID=54167)
* [Pension Estimate Calculator](http://www.yourpensionservice.org.uk/benefits-calculator/index.asp)
* [Re-engagement Following Voluntary Redundancy](#Reengagement_following_VR)
* [Early Retirement in the Interest of the Efficiency of the Service](#Earlyretirement)
* [Rule of 85](#Ruleof85)
* [Compulsory Redundancy](#CompulsoryRedundancy)
* [Selection for Redundancy](#SelectionforRedundancy)

**Summary** of Redundancy and Early Release Schemes and Benefits (as outlined in the Redundancy & Early Release Provisions Policy)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Route** | **Scope** | **Severance Payments** | **Discretionary Benefits (decided on a value for money basis)** | **Access to pension, if eligible?** |
| [Compulsory Redundancy](#CompulsoryRedundancy) | All who are made compulsory redundant | Redundancy pay based on age and years of service using statutory weekly pay limit | Not applicable  | Yes – details in the procedure  |
| [Voluntary Redundancy](#VRScheme) | All who request and are granted voluntary redundancy | Redundancy pay using the statutory multiplier, based on age and years of service, usingactual weekly pay (capped at £1,000 per week).Minimum threshold payment of £1,000. | Compensation payment based on a multiplier of 1.5 x statutory calculation ie a further 50% of the redundancy pay figure  | Yes – details in the procedure  |
| [Early Retirement](#Earlyretirement) | Those who request and are granted early retirement | Not applicable | Not applicable | Yes – details in the procedure  |

[Statutory](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Redundancy Pay Ready Reckoner

**The redundancy payment due to an employee depends on their age and years of service (up to a maximum of twenty years). This determines the number of weeks’ pay due as set out in the statutory redundancy pay table. This table is used for both compulsory and voluntary redundancy. The financial packages applicable are detailed in Appendix E.**

To calculate the number of weeks’ redundancy pay, cross reference the person's age and complete years of service.

| **Statutory redundancy pay table** |
| --- |
|  | **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 | 1½ |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 19 | 1 | 1½ | 2 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 20 | 1 | 1½ | 2 | 2½ | - |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 21 | 1 | 1½ | 2 | 2½ | 3 | - |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 22 | 1 | 1½ | 2 | 2½ | 3 | 3½ | - |   |   |   |   |   |   |   |   |   |   |   |   |
| 23 | 1½ | 2 | 2½ | 3 | 3½ | 4 | 4½ | - |   |   |   |   |   |   |   |   |   |   |   |
| 24 | 2 | 2½ | 3 | 3½ | 4 | 4½ | 5 | 5½ | - |   |   |   |   |   |   |   |   |   |   |
| 25 | 2 | 3 | 3½ | 4 | 4½ | 5 | 5½ | 6 | 6½ | - |   |   |   |   |   |   |   |   |   |
| 26 | 2 | 3 | 4 | 4½ | 5 | 5½ | 6 | 6½ | 7 | 7½ | - |   |   |   |   |   |   |   |   |
| 27 | 2 | 3 | 4 | 5 | 5½ | 6 | 6½ | 7 | 7½ | 8 | 8½ | - |   |   |   |   |   |   |   |
| 28 | 2 | 3 | 4 | 5 | 6 | 6½ | 7 | 7½ | 8 | 8½ | 9 | 9½ | - |   |   |   |   |   |   |
| 29 | 2 | 3 | 4 | 5 | 6 | 7 | 7½ | 8 | 8½ | 9 | 9½ | 10 | 10½ | - |   |   |   |   |   |
| 30 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 8½ | 9 | 9½ | 10 | 10½ | 11 | 11½ | - |   |   |   |   |
| 31 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 9½ | 10 | 10½ | 11 | 11½ | 12 | 12½ | - |   |   |   |
| 32 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 10½ | 11 | 11½ | 12 | 12½ | 13 | 13½ | - |   |   |
| 33 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 11½ | 12 | 12½ | 13 | 13½ | 14 | 14½ | - |   |
| 34 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 12½ | 13 | 13½ | 14 | 14½ | 15 | 15½ | - |
| 35 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 13½ | 14 | 14½ | 15 | 15½ | 16 | 16½ |
| 36 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 14½ | 15 | 15½ | 16 | 16½ | 17 |
| 37 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 15½ | 16 | 16½ | 17 | 17½ |
| 38 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 16½ | 17 | 17½ | 18 |
| 39 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 17½ | 18 | 18½ |
| 40 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 18½ | 19 |
| 41 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 19½ |
| 42 | 2½ | 3½ | 4½ | 5½ | 6½ | 7½ | 8½ | 9½ | 10½ | 11½ | 12½ | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ |
| 43 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 44 | 3 | 4½ | 5½ | 6½ | 7½ | 8½ | 9½ | 10½ | 11½ | 12½ | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ |
| 45 | 3 | 4½ | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 46 | 3 | 4½ | 6 | 7½ | 8½ | 9½ | 10½ | 11½ | 12½ | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ | 22½ |
| 47 | 3 | 4½ | 6 | 7½ | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 48 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 11½ | 12½ | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ | 22½ | 23½ |
| 49 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 50 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ | 22½ | 23½ | 24½ |
| 51 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 52 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ | 22½ | 23½ | 24½ | 25½ |
| 53 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 54 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 20½ | 21½ | 22½ | 23½ | 24½ | 25½ | 26½ |
| 55 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 56 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 23½ | 24½ | 25½ | 26½ | 27½ |
| 57 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25 | 26 | 27 | 28 |
| 58 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25½ | 26½ | 27½ | 28½ |
| 59 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25½ | 27 | 28 | 29 |
| 60 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25½ | 27 | 28½ | 29½ |
| 61+ | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25½ | 27 | 28½ | 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 15¾ or 15 4/5ths where a child is 16 before 1 September.

61+ The same figures will apply for all employees aged 61 and above.

The number of weeks’ pay due is based on the following:

* 0.5 week's pay for each full year of service where age during year less than 22
* 1 week's pay for each full year of service where age during year is 22 or above, but less than 41
* 1.5 weeks' pay for each full year of service where age during year is 41+

When using the above amounts to calculate an employee’s entitlement to redundancy pay where an employee’s service crosses two bands, the figures in each band should be added together. For example:

Example 1 - if you are 25 with 7 years’ service, you will be entitled to 5 weeks’ redundancy pay. The 5 weeks entitlement is based on 0.5 weeks’ pay for each completed year of service between age 18 and 22 and 1 week’s pay for each completed year of service between age 22 and 25. (The middle band of 1 weeks’ pay only applies where an employee, who is entitled to a redundancy payment, has completed a year service at age 22 or above).

Example 2 - if you are 38 years old and have 12 years of service, you will be entitled to 12 weeks’ redundancy pay. The 12 weeks is based on 1 week’s pay for each completed year of service between age 26 and 38.

Example 3 – if you are 49 years old and have 15 years of service, you will be entitled to 19 weeks redundancy pay. The 19 weeks’ entitlement is based on 1 week’s pay for each completed year of service between age 34 and 41 and 1.5 weeks’ pay for each completed year of service between age 41 and 49.

[Years](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) of Service

Years of service are defined by the Redundancy Payments (Continuity of Employment in Local Government etc) (Modification) Order 1999. This provides that, for mainstream local government staff, continuous service within local government and with a number of other prescribed associated bodies shall be taken into account in respect of entitlement to and calculation of a redundancy payment.

[A](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Week’s Pay

**The actual weekly wage is that which the employee is entitled to under the terms of their contract at the calculation date.   The calculation date is the date on which the employer gives the employee the minimum notice to which they are legally entitled.**

The actual weekly wage will be calculated as follows:

* Where hours of work do not vary - weekly wage will be calculated based upon **Basic salary.** **Whereby the annual salary is divided by 52.14.**
* Where hours of work vary from week to week - weekly wage will be calculated using Basic pay received within the last 3 month period.
* **In exceptional cases** **a decision to consider the best 3 month period, in the last 12 months, will be considered (but only with approval from the Section 151 Officer/Director of Resources).**

This should be read in conjunction with the Redundancy and Early Release Procedure and the Managing Structural or Organisational Change Procedure and relevant process maps.

[Volunta](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc)ry Redundancy Scheme

[Scope](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc)

The voluntary redundancy scheme applies to all employees covered by the NJC for Local Government Services and to all other employees of the Council for whom there is no other specific redundancy and early release provisions policy and procedures laid down in national or local conditions of service.

School-based support and teaching employees have their own policy relating to redundancies - *Procedure Relating to Redundancies for School Based Employees.* Queries regarding this matter should be directed to the HR/OD Team.

Uniformed employees (other than Control employees) of the Fire & Rescue Service are not members of the LGPS, the provisions of the council-wide voluntary redundancy scheme does not apply to them and therefore individuals wishing to know more about the provisions for voluntary redundancy for this group of employees have been directed to contact the HR team at Fire and Rescue Service Headquarters.

The Scheme applies to employees who, at the date of termination of employment:

* Have been employed by the Council for more than 2 years or are on a contract allowing application to be made under the Scheme;
* Are not already on notice of termination of their employment.

For service led voluntary redundancy schemes the Director will determine the filter criteria in which VR may be approved [[link to template – VR eligibility criteria]](http://www.cumbria.gov.uk/eLibrary/view.asp?ID=54163#VRServiceSpecificCriteria)

For HR/OD led voluntary redundancy schemes the Director of HR/OD will determine with CMT the filter criteria in which VR may be approved. All forms will be returned to HR/OD for initial selection before being passed to Services for consideration against the eligibility criteria.

When determining acceptance or non-acceptance of a voluntary redundancy application, the appropriate Director, will take account of relevant factors that may include the balance of experience and skills to be retained to ensure business continuity. The Director will decide on who should be allowed voluntary redundancy and who should not. It is a discretionary scheme and therefore if an employee applies for voluntary redundancy there is no guarantee that it will be approved.

[Purpose](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) of the Scheme

In appropriate circumstances Cumberland Council may consider Voluntary Redundancy when the organisation intends reducing staff numbers overall and asks staff to volunteer for redundancy so as to avoid the Council having to make compulsory redundancies.

The objective of the scheme is to facilitate such a reduction in the number or cost of the employees of the Council as may become necessary from time to time.

The Voluntary Redundancy Scheme is selective and will be operated entirely at the discretion of the Council. The Council reserves the right not to accept all applications for voluntary redundancy, particularly if there are more applications than the proposed number of redundancies or where it is in the long-term interests of the Council to retain certain skill sets.

The Scheme applies to employees who, at the date of termination of employment:

* + Are on a contract of employment allowing application to be made under the scheme. Employees with less than 2 years of continuous service will not qualify for a redundancy payment.
	+ Are not already on notice of termination of their employment.

It is necessary to consult the appropriate trade unions about all redundancies. This is normally a departmental responsibility as outlined within the framework provided but, if advice is required HR/OD should be consulted.

An employee may apply without commitment to their Director for details of the entitlements that would be received based upon the discretionary powers available to the Council (under The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006/2914), which are:

Regulation 5

To increase the statutory redundancy payment for voluntary redundancy from the current statutory maximum for a normal weeks pay to instead be based on an employee’s actual weekly wage, to a maximum of £1,000 per week

Regulation 6

To award a minimum payment threshold of £1,000 (pro rata) in the event of Voluntary redundancy. The compensation cannot be more than the equivalent of 104 weeks’ pay.

To increase the statutory multiplier in the event of Voluntary Redundancy. So for example where the statutory scheme provides that an employee should receive 10 weeks’ wages they will receive an additional 50%. This gives a total of 15 weeks (10 weeks’ redundancy pay and 5 weeks’ compensation).

Example

Employee earns £300 per week, with 10 years’ service, aged 45 years

Weekly wage £300 x No of weeks (based on statutory calculator) 12 X 1.5 = £5,400

In deciding whether, and to what extent, to exercise the discretions available to it the Director of HR/OD will take into account the following:

* Any decision to enhance severance payments will require a clear value for money case based upon the additional estimated cost of the termination being recoverable within three years of the employee’s termination date.
* Applications for voluntary redundancy will only be progressed for consideration by the appropriate director where they meet the specified eligibility criteria. There is no right of appeal against this decision.
* The Scheme will only apply in cases of genuine redundancy or where a replacement for an employee comes from existing employees of the Council and the consequential vacancy is not filled.
* The Director must, before any request is granted, make a recommendation to the Director of Resources in order to assess whether or not an application can be approved. The Director of HR/OD has delegated authority to approve a recommended application for voluntary redundancy.
* Subject to paragraph 3.9 above, in certain situations where a vacancy cannot be created by approving an application for voluntary redundancy, account may be taken of any other cost saving which can be made. Where a recurring saving can be achieved after a period of not more than three years (taking into account the long term cost of any enhancements awarded, the indirect costs incurred by the Pension Fund and the redundancy payment), the Director of HR/OD will have discretion to approve such application.
* Where an application for voluntary redundancy is declined there is no right of appeal against this decision.

 Once an application is approved, the HR/OD Team will:

1. confirm the date the employee’s contract and employment with the Council will terminate, allowing for the notice period that the employee is contractually entitled to [[see Notice Periods and Pay in Lieu of Notice]](#Notice_periods_and_PILON)**;**
2. formally notify the employee in writing that his or her services are to be terminated on the grounds of redundancy; and
3. advise the employee of their redundancy payment and / or pension benefits as appropriate, as soon as possible.
4. answer any employee’s questions on voluntary redundancy.

 Where an application is approved, the employee will receive, in writing, confirmation of the acceptance of their application for voluntary redundancy. The employee will be required to accept in writing, the offer of voluntary redundancy, within 14 days of receipt of confirmation, or the offer will be withdrawn.

The financial benefits to which employees made voluntarily redundant will be entitled are set out in the Redundancy and Early Release Policy.

 This procedure may be amended at any time by the Assistant Director, HR/OD

[Voluntary](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Redundancy Consultation

It is necessary to consult the appropriate trade unions about all redundancies**.** This is normally a departmental responsibility but, if advice is required, HR/OD should be consulted.

[Employee](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Application

The Council has provided tools to assist employees in obtaining a rough estimate of the voluntary redundancy payment and (where applicable) pension which they would receive if their application for voluntary redundancy is approved.

It is very important to note that these tools provide a rough estimate only – should an employee apply for voluntary redundancy they will be provided with more accurate estimates by the HR/OD team.

The redundancy payment self-estimate tool is an excel spreadsheet which can be accessed through the Council’s network:

[[link to Voluntary Redundancy Self Estimate Tool]](http://www.cumbria.gov.uk/eLibrary/view.asp?ID=54167)

This is not available to access from public computers and therefore managers may need to assist employees by allowing them access to a computer at work in order to use this tool.

The pension self-estimate website can be accessed over the internet and therefore employees without access to a computer at work should be able to access this from home or from a computer at their local library.

[[link to Pension Self Estimate Tool]](http://www.yourpensionservice.org.uk/benefits-calculator/index.asp)

In order to use these tools the employee will need to have the following information, which should be based on a notional termination date:

* Age;
* Annual salary – using the most recent payslip, multiply the basic pay by 12 to obtain the annual salary;
* The length of continuous service (in full years) with the County Council. Please note that this could include any service gained in other organisations recognised by the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999, as long as the service is un-broken;
* The length of time you/they have been in the Local Government Pension Scheme – this could be the same as the continuous service or it could be different (i.e. if you did not join the scheme immediately). It may be helpful to refer to your/their most recent annual pension benefit statement in order to obtain this information.

[The](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) VR Approval Process

Individuals interested in taking voluntary redundancy will need to express an interest by submitting a completed application form to the HR/OD Team.

Please note all sections of the original application form must be completed by the appropriate person. Once the section is complete please pass onto the next individual/ team.

Once they have submitted their application, the HR/OD Team will obtain estimates of their redundancy payment and, where applicable, their LGPS pension. This will be confirmed to the individual in writing to their home address. The HR/OD team will also notify the line manager of the employee so that arrangements can be made for a consultation meeting to take place and for the line manager’s comments to be captured.

Their line manager will need to offer them a one-to-one consultation meeting.

The line manager of the applicant will be required to provide their comments to the Director about the feasibility of accepting their request for voluntary redundancy. For more information on this please refer to the section titled ‘Line Manager Comments on applications’.

Applications for voluntary redundancy will then go through the following decision-making process:

|  |  |
| --- | --- |
| Stage 1 | Review by Director, who will make recommendations to the Stage 2 panel. |
| Stage 2 | Review by a panel chaired by the Director of HR/OD, where a decision will be taken as to whether to approve the employee’s request. |

Applicants will be notified of the outcome of their application in writing.

Where an application for voluntary redundancy is neither progressed nor approved there is no right of appeal against this decision.

[Pension](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) and Redundancy Payment Estimates

The HR/OD team will co-ordinate requests for pension and redundancy payment estimates from voluntary redundancy applications.

Where an application for voluntary redundancy is approved and a termination date has been agreed:

* If necessary, the redundancy payment will be re-calculated to reflect the actual date of termination. This will be done as part of the usual leaver process;
* The pension estimate will not be recalculated. Details of the original estimate obtained will be re-confirmed to the employee in the redundancy offer letter. On being notified of the termination, the pension administrator will write to the employee with the actual details of their pension and details of the elections that can be made by the employee.

[Consultation](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Meeting

In order to comply with the Council’s legal obligations and best practice, employees **must** be offered a one-to-one consultation meeting to discuss their application. Given the consequences of the overall Scheme, such meetings will be offered by a senior manager of the employee – this may or may not be their direct line manager. Further advice on this matter can be obtained from the HR/OD team.

If they wish, the individual may be accompanied to this meeting by a recognised Trade Union representative or a colleague.

If the employee cannot attend the consultation meeting on the initial date proposed, it would be reasonable to reschedule the meeting at least once. If you are in a position where you are being asked to reschedule a consultation meeting for the second time, you may wish to contact the HR/OD team for advice on what is reasonable in the circumstances.

If an employee is currently absent from work due to sickness then you will need to visit them either at home or at a mutually acceptable venue.

If the employee does not want to attend a consultation meeting, they cannot be forced to do so. However, in such circumstances it would be advisable to gain written confirmation from the employee to confirm that they have been offered a meeting and have declined.

The purpose of this meeting is to review the individual’s application and for you to discuss the feasibility of releasing them from their post. It will also provide an opportunity for the employee to ask any questions they might have about the process or to provide any feedback they may wish to.

In order to prepare for the meeting you are advised to read the employee’s application, particularly their answers to the questions relating to the VR criteria. It would also be useful for you to take time to consider the post held by the employee against the criteria – more detail is contained in the section titled ‘Manager Comments on applications’.

You must make a record of the meeting by completing the details on the VR application form. Please now pass this form to your Director.

[Manager](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Comments on Applications

A senior manager of the applicant (which may or may not be the applicant’s direct line manager) will be asked to provide comments on their application to your Director to assist in the decision making process.

Subsection 3 of the application form should be completed and returned to the HR/OD team, who will collate the application paperwork and forward it to the Director.

The criteria that applications will be assessed against have been detailed in the section titled **‘Decision Making Criteria for Applications’.**

The pro-forma asks you to answer the following questions:

* Does the applicant hold a statutory post or a post within a statutory service?
* Is the applicant’s post involved in providing front line services?
* Could the applicant’s post be deleted from your structure or recruited to from internal sources with the resulting vacancy being deleted?
* How would you cover the work of the applicant if their application for voluntary redundancy was approved?
* Please confirm where the budget saving/efficiency associated with the deletion of this post will come from.

 You will also have the opportunity to provide any other relevant comments to your Director.

Director Recommendations

You will be expected to assess any applications for voluntary redundancy in your Service and make recommendations as to whether they could be accepted or not to the panel which will make the final decision.

The HR/OD team will be obtaining redundancy payment and pension estimates, confirming with the employee that they still wish to proceed with their application and obtaining comments from the line manager of each applicant.

You will need to assess applications before submitting your recommendations to the Director of HR/OD, for a final decision to be made on each application.

When assessing applications please complete Section 4 of the application form and pass to the HR Admin Team.

[Decision](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Making Criteria for Applications

The acceptance of applications for voluntary redundancy is entirely at the discretion of senior management.

Applications for voluntary redundancy will be assessed against the following criteria.

Criterion 1) is a gateway criterion and must be met in order to proceed with an application.

In order to approve a request, it is likely that either criterion 2) or 3) is achievable.

Criteria 4) 5) and 6) must be considered in all cases to assess the impact of deleting the post:

**Criterion which must be met (cannot proceed if not met):**

1. Genuine Redundancy – it must be possible to either:
	1. delete the applicant’s post;

or

* 1. appoint an existing member of Council staff as a replacement for the applicant, with the consequential vacancy being deleted.

**Criteria which should be met as a result of meeting criterion 1:**

1. Efficiency savings – would the deletion of the applicant’s post contribute to efficiency savings within the Council (e.g. organisational change, restructuring, new ways of working, Better for People, Better for Children, Better Places for Work, Modernisation of work/transformation)
2. Reduction in cost – would the deletion of the applicant’s post result in savings generated over a 3 year period;

**Criteria which must be considered in all cases:**

1. Knowledge/skills retention – it is important that the Council retains the appropriate balance of knowledge and skills within its workforce, and therefore one issue to consider would be whether the deletion of the applicant’s post would have a detrimental impact in this area;
2. Business continuity/continued service delivery – the Council needs to ensure it still delivers its frontline services to the citizens of Cumbria and therefore an issue to consider is whether the deletion of the applicant’s post would have a detrimental impact in this area;
3. Statutory posts – the Council have a number of statutory posts and statutory services which need to be retained in order to meet our legal obligations. It is therefore necessary to consider if the applicant’s post is a statutory post or a post involved in providing a statutory service.

[VR](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Process once Approved

The HR/OD team will:

1. confirm the date the employee’s contract and employment with the Council will terminate, allowing for the notice period that the employee is contractually entitled to;
2. formally notify the employee in writing that his or her services are to be terminated on the grounds of redundancy; and
3. Advise the employee of their redundancy payments and / or pension benefits as appropriate, as soon as possible
4. Answer any employee’s questions on voluntary redundancy.
5. Advise the HR service centre if the employee has been on AEP. They will no longer be able to apply for posts under the AEP.
6. Advise the HR/OD team for monitoring purposes

[Voluntary](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Redundancy Benefits

* **Voluntary Redundancy Payment**

In cases where employees with two or more years’ continuous Local Government Service are granted voluntary redundancy they will receive redundancy pay based on the statutory redundancy pay multiplier, using actual weekly pay instead of the statutory maximum. In the event that the actual weekly wage is greater than £1,000 gross per week the actual weekly wage used to calculate the statutory redundancy payment will be capped at £1,000 gross per week.

* **Discretionary Payments - Voluntary Redundancy**

If an application for voluntary redundancy is approved the Director of HR/OD on behalf of the Council may exercise discretionary powers and award Redundancy pay based upon actual weeks’ wage, together with a compensation payment based on a multiplier of 1.5 applied on the statutory calculation. So for example where the statutory scheme provides that an employee should receive 10 weeks wages they will receive an additional 50%. This gives a total of 15 weeks (10 weeks redundancy pay and 5 weeks compensation).

Example: Redundancy Pay 10 weeks’ pay

 Compensation 5 weeks’ pay

 Total Voluntary Redundancy Payment = 15 weeks’ pay

No employee shall receive a total payment of less than £1,000, or pro rata if part time. The compensation cannot be more than the equivalent of 104 weeks’ pay.

Example: Employee working 20 hours per week.

Redundancy pay calculated on actual weekly wage equates to less than £1,000.

To pro rata the payment uses the formula:

£1,000 divided by standard working week, eg 37 hours

Multiply by number of contracted hours, eg 20

£1,000 ÷ 37 × 20 = £540 (pro rata redundancy payment)

* In deciding whether, and to what extent, to exercise the discretions available to it the Director of HR/OD on behalf of the Council will have to take into account the following relevant factors:
	+ Any decision to enhance severance payments will require a clear value for money case based upon the additional estimated cost of the termination being recoverable within three years of the employee’s termination date.

In the case of an employee contracted to a number of posts, the redundancy payment, in terms of determining length of service, will be calculated from the employees’ date of continuous service in the post being made redundant.

[Pensio](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc)n Benefits

* **Compulsory & Voluntary Redundancy**

Under the Local Government Pension Regulations a pensionable employee whose service is terminated on the grounds of redundancy and who is aged 55 or over is entitled to immediate payment of pension benefits, without reduction, in accordance with the Regulations.

[Notice](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Periods and Payment in Lieu of Notice

In normal circumstances when the Council gives notice of termination of employment, the employee would be expected to work their period of notice. Pay in lieu of notice is not a specific contractual obligation in Cumberland Council and will only be made where it is not possible to give the period of notice to which an employee is entitled to under the terms of their contract of employment.

It is not permissible to give or accept a longer period of notice than is provided for in the employee’s contract of employment in order to make an “*enhanced”* payment in lieu of notice.

However there may be occasions when Voluntary Redundancy is offered and approval is on the basis of a pre-agreed leaving date. Where this is acceptable by both parties entitlement to pay in lieu of notice may be waived.

The notice period will be an individual’s contractual or statutory notice period, whichever is greater (see table below).

|  |  |
| --- | --- |
| Contractual NoticeGrade Notice Period1-9 1 month 10-14 2 monthsAbove 14 3 months | Statutory NoticeLess than 2 years’ service 1 week.More than 2 years’ service, two week's plus one additional week for each further complete year of continuous employment, up to a maximum of 12 weeks |

Issues for consideration in this area are as follows:

* Business continuity – do you need time for the employee to hand over their current workload to a colleague. If so, do you need the full notice period or only part of it (i.e. the employee would be asked to work for part of their notice period and receive payment in lieu of the remaining part)? Please remember that payment in lieu of notice is not a standard practice for the Council – employees should work their notice period unless there is a business reason not to;
* When do you need to make savings by;
* If the employee is aged 55 years or over and is a member of the Local Government Pension Scheme – these employees cannot receive a payment in lieu of their full notice period due to the fact that certain pension matters have to be resolved before the termination takes effect. Such employees must therefore work a notice period of no less than 4 weeks. Please consult your Directorate HR team for further guidance on this matter.

Pay in lieu of notice needs to be approved by the Director of HR/OD, and should meet one of the following criteria:

* Grant Reductions - where funding for a particular post will cease and therefore there will be no requirement for that post to continue after a given date, which may occur prior to the end of the employee's notice period;
* Budget efficiencies - where certain budget efficiencies need to take effect before the end of the employee's notice period;
* Restructure - where a restructure will take effect prior to the end of the employee's notice period and therefore there is no post/duties for the employee to perform;
* Closure of premises - where a site, e.g. a care home, will close prior to the end of the employee's notice period and there is no suitable alternative work to transfer the employee into during this period;
* Extenuating/special circumstances - where there is an objectively justified business case to release the employee from their employment prior to the end of their notice period.

[Leaving](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Before the End of the Notice Period and Counter-Notice

Having had an application for voluntary redundancy approved, an employee may find that they wish to leave employment before the expiry of their notice period e.g. if they secure employment elsewhere.

In such circumstances the employee can send a letter, called a counter-notice, to their manager requesting to leave before the end of your notice period.

If you receive counter-notice from your employee you will need to assess their request in order to decide if it is reasonable to release them early. Where this is the case, the employee will not lose their right to a voluntary redundancy payment but they will forfeit their right to be paid for the period of notice that they do not serve. However, if you formally object to their request to leave early, and the employee subsequently leaves before the end of their statutory notice period, they may forfeit their right to a redundancy payment.

**Considering a Request to Leave Early**

In deciding whether to allow an employee to leave before the end of their notice period, you may wish to consider the following issues:

* How much of the notice period is left – it may be more reasonable to release someone who is in the last week of their notice period than someone who is in the first week of their notice period;
* What would be the impact of releasing the employee early – would this affect business continuity or handover plans etc and would this be manageable or not.

An employee whose counter-notice is not accepted may take the matter to an Employment Tribunal and it is therefore important that you can justify any decision to object to the counter-notice, and to document this accordingly.

If you accept an employee’s counter-notice, you must also notify the HR Admin Team of the new termination date to ensure that the employee is not overpaid. This should be done by submitting an amended HR10 form.

[Obtaining](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Employment with a Modification Order Body

If the Council issues an employee with notice of redundancy and before the dismissal takes effect they accept an offer of employment from another body specified in Part II of Schedule 2 of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999, they will lose their entitlement to a redundancy payment.

This only applies where the relevant body makes the offer of a new job before the end of the employee’s notice period with the Council and the new employment starts within the four weeks after the date of redundancy.

[Withdrawal](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) of Application

Individuals who make an application to take voluntary redundancy can withdraw their application at any time up until the point at which they sign the redundancy offer letter. After this time, any request to withdraw from the voluntary redundancy programme would be subject to the approval of the Director of HR/OD.

The following measures will assist in ensuring that only genuine applications for voluntary redundancy reach the stage of being assessed by managers:

* The ability for employees to gain a rough estimate of benefits prior to applying by using the tools available to them;
* Providing applicants with a more accurate estimate of benefits soon after application;
* Requiring applicants to confirm that they wish to proceed with their application once they have received an estimate of the benefits they could receive through the voluntary redundancy scheme.

[Amendment](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) to VR Scheme

The Scheme may be amended at any time by the Director of HR/OD

Re-engagement Following Voluntary Redundancy

[Background](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc)

Periodically the Council releases employees under voluntary redundancy (VR) arrangements. In doing so it often incurs significant cost and for many who are permitted to leave there are significant advantages both of a financial and personal nature.

The terms of VR schemes vary with the scheme and its purpose. However, they generally have some common characteristics, namely that there has to be a reduced requirement for the role in the Council (or another role that could be offset against it) and that any costs of releasing the individual or costed value for money criteria can be recovered over no more than 3 years, through savings generated.

The practice of offering VR is particularly sensitive because public money is involved. The Council has a duty to demonstrate that its use of public money is justified, that the benefits to the individual are offset by those to the Council and that this is a necessary means to an end. It is difficult to justify an individual receiving significant personal benefit through the scheme and then being re-employed.

[Basic](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Principles

The Council’s Redundancy and Early Release Policy stipulates that those who benefit from VR will not be considered for re-employment within 12 months of the date of the termination of their employment. This extends to employment, whether on a permanent, temporary or fixed term contract.

If a former employee applies for employment, after at least 12 months from the date their employment by the Council last ended, the matter is to be referred to HR for a decision. Each case will be considered on its merits, having regard to the business needs of the Council at the time of the application. The criteria will be objective criteria related to the VR process and the decision will be final.

[Criteria](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) for Consideration

 The criteria which will be used for consideration of the request will be:

* whether the proposed employment is to the same, a similar, or a successor role, to that from which they were granted VR
* reasons and circumstances for granting VR
* amortisation period for the costs of release
* current business needs of the Council
* whether there is now a skills or experience shortage which did not exist when the VR was granted

[Process](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc)

If any former employee who has received VR applies for employment, their application will only be considered if it is more than 12 months since they left employment with the Council. Attention is drawn to this requirement within the Council’s vacancy website.

Any employee who meets the above time requirement will be considered as a normal applicant.  If found suitable: they will be made a conditional offer of employment.  The hiring line manager must then refer the issue to HR/OD for a decision.  In doing so they should provide information in respect of the criteria set out at 6 above to inform that decision.

HR/OD will then advise the hiring manager of the decision, providing broad reasons for the decision.  The hiring manager will then convey the outcome to the applicant.

Re-engagement Following Voluntary Redundancy

1. This Scheme of Early Retirement in the Interests of the Efficiency of the Service is selective and will be operated entirely at the discretion of the Director of HR/OD
2. The Scheme applies to employees who, at the time of retirement:
	* Have been employed by the Council for more than 2 years or are on a contract allowing application to be made under the Scheme

4. Before any application for early retirement is approved, the full additional estimated cost of the termination must be shown to be recoverable within three years of the employee’s termination date.

1. Early Retirement in accordance with the Scheme may be approved only where the retirement of the employee will be in the interests of the efficiency of the service.

Reasons for efficiency include the following examples;

* + 1. effectiveness- where the employee’s ability to perform in the job means it is not feasible for the employee to undertake the skills or competencies to continue to do the job.
		2. economy– where the Council could operate in a more economic manner as a result of the early release.
		3. where it would create internal job opportunities, or unblock promotion channels, which the Council could fill through succession planning and internal appointment.
		4. where it is considered to be in the interests of the Council to better deliver Council priorities and the priorities of the individual employee’s job.
		5. health and compassion – where an employee’s personal circumstances suggest that early release might be appropriate
1. An employee coming within the scope of the Scheme wishing to apply for Early Retirement shall make an application in writing to their Director giving such supporting information as they consider appropriate.
2. The Director must, before any request is granted, make a recommendation to the Director of HR/OD in order to assess whether or not an application can be approved.
3. Applications from Directors and Assistant Directors will be referred to the Chief Executive for consideration.
4. Where a Director does not consider the release of the employee to be in the interests of the efficiency of the service, or where the recommendation is not approved, there is no further right to appeal against this decision
5. Where an application for Early Retirement is approved, employment will be terminated by mutual agreement. It will not be necessary for the employee to serve their full contractual notice, nor will there be any obligation for the Council to pay in lieu of the employee’s contractual notice. A date of termination will be agreed between the employee and the line manager.
6. Once an application is approved, the HR/OD team will:
	1. settle by mutual agreement with the employee the date the employee’s contract and employment with the Council will terminate
	2. formally notify the employee in writing that his or her services are to be terminated on the grounds of retirement. The requirement to give a specific period of notice may be waived in the case of an employee who retires early in accordance with the scheme.
	3. advise the employee of their pension as soon as possible, where this is applicable.
	4. answer any employee's questions on early retirement.

8. The scheme may be amended at any time by the Director of HR/OD

[Eligibility](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Criteria, Financial Packages and Pension Benefits

The Scheme of Early Retirement in the Interest of the Efficiency of the Service is selective and will be operated entirely at the discretion of the Council.

[Eligibility](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Criteria

The earliest age you can ask for early retirement with your employer's consent is 55.

[Financial](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Package and Pension Benefits

Eligible employees granted Early Retirement will receive immediate pension benefits in accordance with the Pension Regulations.

Rule of 85

[Details](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) of the 85 Year Rule

The Rule of 85 is satisfied if your age at the date you draw your benefits and your scheme membership add up to 85 or more (part years are ignored).

If your benefits are deferred, the Rule of 85 is satisfied if your age at the time you draw your benefits and the scheme membership you would have had in the LGPS (if you had stayed in the scheme between the date of leaving and the date you draw your benefits) add up to 85 or more (part years are ignored).

[Protected](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Member-in England and Wales

If you were a member of the LGPS on September 2006, you may have protected rights regarding the early payment of your benefits.

* If you will be age 60 or over by March 2016 and chose to voluntarily retire before age 65, then, provided you satisfy the 85 year rule when you start to draw your pension, the benefits you build up to March 2016 will not be reduced.
* If you will be under age 60 by March 2016 and chose to voluntarily retire before age 65, then, provided you satisfy the 85 year rule when you start to draw your pension, the benefits you build up to March 2008 will not be reduced.

Any employees eligible for the above must make a request in writing to their Director as outlined in the Early Retirement scheme.

This should be read in conjunction with the Redundancy and Early Release Procedure and the Managing Structural or Organisational Change Procedure and relevant process maps.

Compulsory Redundancy

[Sc](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc)ope

The compulsory redundancy scheme applies to all employees covered by the NJC for Local Government Services and to all other employees of Cumberland Council for whom there is no other specific redundancy and early release provisions policy and procedures laid down in national or local conditions of service.

School-based support and teaching employees have their own policy relating to redundancies - *Procedure Relating to Redundancies for School Based Employees.* Queries regarding this matter should be directed to the HR team in Children’s Services.

Uniformed employees (other than Control employees) of the Fire & Rescue Service are not members of the LGPS, the provisions of the council-wide voluntary redundancy scheme does not apply to them and therefore individuals wishing to know more about the provisions for voluntary redundancy for this group of employees have been directed to contact the HR team at Fire and Rescue Service Headquarters.

[Purpose](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) of the Scheme

The objective of the Scheme is to facilitate such a reduction in the number or cost of employees of the Council as may become necessary from time to time.

The Director must, before any request is granted, make a recommendation to the Director of HR/OD in order to assess whether or not a consultation process may commence.

[Compulsory](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Redundancy Consultation

It is necessary to consult the appropriate trade unions about all redundancies. This is normally a departmental responsibility but, if advice is required, HR/OD should be consulted.

[Compulsory](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Redundancy Eligibility Criteria

Where compulsory or voluntary redundancy is considered, ‘redundancy’ must satisfy the statutory definition in force at the time; currently this is:

1) The fact that the employer has ceased, or intends to cease, to carry on the business for the purposes of which the employee was employed by him/ her, or has ceased, or intends to cease, to carry on that business in the place where the employee was so employed; **or**

2) The fact that the requirements of the business for employees to carry out work of a particular kind, or for employees to carry out work of a particular kind in a place where he/ she was so employed, have ceased or diminished or are expected to cease or diminish.’

Compulsory Redundancy must satisfy the criteria as defined above and is instigated by the employer not the employee.

[The](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Compulsory Redundancy Selection Process

Once approval has been given then any employees deemed “at risk” should be notified.

Where there is only one person in the “pool” identified for redundancy, or where a whole unit or function ceases to operate i.e. in the event that grant funding is cut, selection criteria will not be required and normal consultation and notice procedures should be applied.

Where the number of employees potentially “at risk” of redundancy exceeds the number of posts of a particular kind required, the selection for redundancy procedure should be applied**.**

The HR/OD Team will obtain estimates of the redundancy payment and, where applicable, their LGPS pension. This will be confirmed to the individual in writing to their home address. The HR/OD team will also notify the line manager of the employee so that arrangements can be made for a consultation meeting to take place and for the line manager’s comments to be captured.

[Redundancy](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Payment Estimates

In cases where employees are made compulsory redundant, employees’ with two or more years’ continuous Local Government Service will receive statutory redundancy pay (subject to statutory cap on weekly pay).

The statutory multiplier for age and length of service will be applied subject to the statutory cap on the weekly wage, which is set by Government **[**[link to Statutory Redundancy Pay Ready Reckoner](#StatutoryRedundancyPayReadyReckoner)**]**

Example

Employee earns £300 per week, with 10 years service aged 45 years.

Weekly wage £300 x number of weeks (based on statutory calculator) 12 = £3600

The HR/OD team will coordinate requests for pension and redundancy payment estimates.

Once a termination date has been agreed:

* If necessary, the redundancy payment will be re-calculated to reflect the actual date of termination. This will be done as part of the usual leaver process;
* The pension estimate will not be recalculated. Details of the original estimate obtained will be re-confirmed to the employee in the redundancy offer letter. On being notified of the termination, the pension administrator will write to the employee with the actual details of their pension and details of the elections that can be made by the employee.

[Pension](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Benefits

Under the Local Government Pension Regulations a pensionable employee whose service is terminated on the grounds of redundancy and who is aged 55 or over is entitled to immediate payment of pension benefits, without reduction, in accordance with the Regulations.

[Consultation](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Meeting

In order to comply with the Council’s legal obligations and best practice, employees **must** be offered a one-to-one consultation meeting. Given the consequences of the overall Scheme, such meetings will be offered by a senior manager of the employee – this may or may not be their direct line manager. Further advice on this matter can be obtained from the HR/OD Team.

If they wish, the individual may be accompanied to this meeting by a recognised Trade Union representative or a colleague.

If the employee cannot attend the consultation meeting on the initial date proposed, it would be reasonable to reschedule the meeting at least once. If you are in a position where you are being asked to reschedule a consultation meeting for the second time, you may wish to contact the HR/OD team for advice on what is reasonable in the circumstances.

If an employee is currently absent from work due to sickness then you will need to visit them either at home or at a mutually acceptable venue.

If the employee does not want to attend a consultation meeting, they cannot be forced to do so. However, in such circumstances it would be advisable to gain written confirmation from the employee to confirm that they have been offered a meeting and have declined.

The purpose of this meeting is to review the individual’s selection for redundancy. It will also provide an opportunity for the employee to ask any questions they might have about the process or to provide any feedback they may wish to.

You must make a record of the meeting by completing the one to one consultation form.

[Career](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Transition Support

The Council provides access to “Career transition” support, provided internally via a programme and also commissioned externally on a voluntary and subsidised basis, in the event of redundancy.

[Time](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) off for Attending Interviews

To ensure that this policy is consistently applied, the following is recommended:

* the relevant manager should agree time off in advance
* at least 24 hours’ notice should be given
* a letter confirming the interview appointment or the training arrangements should, as far as possible, support the request for time off

[Reasonable](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Adjustments

Those employees with a disability as defined by the Equality Act 2010 should be given the opportunity to request reasonable adjustments at every stage of the process. All requests and subsequent action should be appropriately recorded.

[Appeals](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc)

An employee can appeal against the compulsory redundancy decision to a panel of Directors.

[Management](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Involvement in appeals

Line managers who are not Directors are unlikely to be called upon to deal with the Appeals arising from the Compulsory Redundancy Scheme.

[Notice](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Periods and Payment in Lieu of Notice

The notice period will be an individual’s contractual or statutory notice period, whichever is greater (see table below).

|  |  |
| --- | --- |
| Contractual NoticeGrade Notice Period1-9 1 month 10-14 2 monthsAbove 14 3 months | Statutory NoticeLess than 2 years’ service 1 week.More than 2 years’ service, two week's plus one additional week for each further complete year of continuous employment, up to a maximum of 12 weeks |

For example, an employee employed on Grade 9 or below has a contractual entitlement to one month’s notice. However, if s/he has more than 4 years’ service s/he would be entitled to one week’s service for each year of service. So, an employee with 6 years’ service would be entitled to 6 weeks’ notice, and as this is longer than the contractual notice period of one month, the 6 week notice period would be applicable.

Pay in lieu of notice is not a specific contractual obligation in Cumberland Council and will normally only be made where it is not possible to give the period of notice to which an employee is entitled to under the terms of their contract of employment. In normal circumstances when the Council gives notice of termination of employment, the employee would be expected to work their period of notice. Only in circumstances where there are good reasons for requiring the employee not to work their period of notice would the Council make a payment in lieu of notice.

It is not permissible to give or accept a longer period of notice than is provided for in the employee’s contract of employment in order to make an “*enhanced”* payment in lieu of notice.

Pay in lieu of notice needs to be approved by the Director of HR/OD, and should meet one of the following criteria:

* Grant Reductions - where funding for a particular post will cease and therefore there will be no requirement for that post to continue after a given date, which may occur prior to the end of the employee's notice period;
* Budget efficiencies - where certain budget efficiencies need to take effect before the end of the employee's notice period;
* Restructure - where a restructure will take effect prior to the end of the employee's notice period and therefore there is no post/duties for the employee to perform;
* Closure of premises - where a site, e.g. a care home, will close prior to the end of the employee's notice period and there is no suitable alternative work to transfer the employee into during this period;
* Extenuating/special circumstances - where there is an objectively justified business case to release the employee from their employment prior to the end of their notice period.

[Leaving](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Before the End of the Notice Period and Counter-Notice

An employee may find that they wish to leave employment before the expiry of their notice period e.g. if they secure employment elsewhere.

In such circumstances the employee can send a letter, called a counter-notice, to their manager requesting to leave before the end of your notice period.

If you receive counter-notice from your employee you will need to assess their request in order to decide if it is reasonable to release them early. Where this is the case, the employee will not lose their right to a redundancy payment but they will forfeit their right to be paid for the period of notice that they do not serve. However, if you formally object to their request to leave early, and the employee subsequently leaves before the end of their statutory notice period, they may forfeit their right to a redundancy payment.

[Considering](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) a Request to Leave Early

In deciding whether to allow an employee to leave before the end of their notice period, you may wish to consider the following issues:

* How much of the notice period is left – it may be more reasonable to release someone who is in the last week of their notice period than someone who is in the first week of their notice period;
* What would be the impact of releasing the employee early – would this affect business continuity or handover plans etc and would this be manageable or not.

An employee whose counter-notice is not accepted may take the matter to an Employment Tribunal and it is therefore important that you can justify any decision to object to the counter-notice, and to document this accordingly.

Template letters to accept or object to an employee’s counter-notice are available. [[link to template letters]](http://www.cumbria.gov.uk/eLibrary/view.asp?ID=54163#VRAcceptCounterNotice)

If you accept an employee’s counter-notice, you must also notify the HR Admin team of the new termination date to ensure that the employee is not overpaid. This should be done by submitting an amended HR10 form.

<http://www.intouch.ccc/humanresources/policiesprocedures/default.asp>

[Obtaining](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Employment with a Modification Order Body

If the Council issues an employee with notice of redundancy and before the dismissal takes effect they accept an offer of employment from another body specified in Part II of Schedule 2 of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999, they will lose their entitlement to a redundancy payment.

This only applies where the relevant body makes the offer of a new job before the end of the employee’s notice period with the Council and the new employment starts within the four weeks after the date of redundancy.

**Selection for Redundancy**

[Criteria](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) for Selection of Redundancy-Guidance

The Council’s Redundancy and Early Release Policy states that when staffing reductions are necessary the Council will make every effort to avoid, or minimise, the number of possible redundancies.

[General](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Principles

In the event that Compulsory Redundancies cannot be avoided or mitigated,

The following guidance should be applied:

1. Where there is only one person in the “pool” identified for redundancy, or where a whole unit or function ceases to operate i.e. in the event that grant funding is cut, there will not be a requirement for selection criteria and normal consultation and notice procedures should be applied

2. Where the number of employees potentially “at risk” of redundancy exceeds the number of posts of a particular kind required, **the following selection for redundancy procedure should be applied:-**

[Selection](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Pool

To ensure fairness it is important that all relevant employees are considered within the selection ‘pool’. The “pool” will normally comprise all employees of a particular description employed in a particular Service, Unit or workplace affected by the reduction in employee numbers.

[Selection](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) Criteria

In the event that the Council must select individuals for redundancy from a pool of employees, the criteria adopted and the manner in which those criteria are applied must provide fair redundancy procedure and ultimately achieve a fair dismissal.

The purpose of having selection 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 way as possible.
2. To retain, as far as possible, a balanced workforce with the appropriate mix of skills, knowledge and experience for effective service delivery in the future.
3. To comply with legislative requirements ensuring that employees are not unfairly selected for redundancy.

In a redundancy situation it is advisable to use a redundancy selection matrix or points based system. Clearly setting out the criteria for which individual employees are scored.

The following criteria will be considered within the method of selection:

 1. Qualifications

 2. Additional Skills & Experience

 3. Sickness Absence Record

1. Capability
2. Disciplinary

[Method](http://www.intouch.ccc/elibrary/Content/Intranet/536/671/5053/6001/41410105256.doc) of Applying the Selection Criteria

It is important that clear records are maintained of the scoring and decisions made by the Selection Panel.

Guidance on the application of the process should be followed below:

1. In advance of the selection process the employee should be issued with a pro forma for completion. [[link to templates - Employee record of evidence]](http://www.cumbria.gov.uk/eLibrary/view.asp?ID=54163#CREmployeeRecordofEvidence)
2. Offer a meeting to each employee to discuss their own circumstances, verify information, and provide assistance to employees in the completion of ‘Employee record of evidence’.
3. Arrangements should be made to discuss, or meet with; employees who are absent from work for reasons of either sickness absence or maternity, to ensure that they are included in the pre selection meeting and provide assistance with the ‘Employee record of evidence’.
4. For the selection process to be carried out fairly, the Selection Panel, ideally 3 senior officers, but no less than 2 senior officers, will meet to consider the pro-forma together with the personal file and evidence from the Line Manager and assess each employee against the criteria.
5. Clear records must be kept of decisions made by the Selection Panel during the Selection process. Managers will be required to provide and keep records of the evidence of the reasoning applied to each criteria established i.e. in assessing skills useful to the organisation, in addition to keeping all records referred to within the Redundancy Selection Criteria template and capture outcomes and decisions also on the Employee record of evidence.
6. Where criteria require judgements to be exercised, in the absence of metrics it is important that this can be validated as far as possible, e.g. 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.
7. The Selection panel will provide the **provisional** decisions to the employees and their Trade Union representatives, prior to final decisions being made.
8. The Selection panel should consult individually with those provisionally selected for redundancy on the basis of the scores. The employee should be provided with a copy of their own score and be provided with the opportunity to comment on it, or challenge the basis on which the scores were arrived at.
9. Based on consultations above the Selection Panel will amend or confirm its decision. Writing to the employee to confirm the outcome.
10. Once individual consultation has been carried out with further meetings where necessary and provided that the possibility of any suitable alternative employment has been fully explored, the Council will confirm its decision in writing to those who have been selected for redundancy.
11. Appeals against dismissal are to an Appeal Panel and must be submitted within 7 working days of the notification of the outcome.
12. If Appeal not upheld or no appeal, issue notice of termination of employment on the grounds of redundancy.

**September 2013**

Updated 4 April 2014