**Redundancy and Early Release Policy**

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

Scope

The policy 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.

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

Cumberland Council continually reviews its internal management, organisational arrangements, and methods of service delivery to ensure that the number of staff and its structures are appropriately resourced to deliver the Council Plan and Individual Service Plans whilst also taking into account the Medium Term Financial Plan. As a result, from time to time, it may become necessary to change the configuration of the workforce.

This policy summarises the position regarding the Councils compulsory redundancy, voluntary redundancy and early release provisions under one document, clarifying the eligibility upon which redundancy and early release is considered and the financial packages and pension benefits that may apply in these circumstances.

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

The Council has a duty to manage its services in the most cost effective and efficient manner. While it is committed to the ideal of maintaining security of employment for its employees as far as practicable, it also recognises that there may be circumstances where it is necessary to make changes which may affect this ideal.

The Council recognises the importance of careful workforce planning in meeting future service demands. Planning for change includes continuous and meaningful communication to ensure that all levels of employees are aware of changes as they occur and the impact these changes will have on service provision and working arrangements.

When the Council identifies that staffing reductions are necessary it will make every effort to avoid or minimise the number of possible redundancies by considering any or all of the following:

* Restricting or freezing recruitment of permanent/temporary employees
* Reducing or eliminating overtime
* Reducing or eliminating the use of casual workers
* Consider alternative employment or redeployment for potentially impacted staff

This means that where possible, turnover, resource management, re-skilling and redeployment would be the first options for consideration to achieve the reduction required.

Where such approaches cannot easily achieve the changes required then the Council would look to consider voluntary and compulsory redundancy where necessary. The Council will seek to avoid the use of compulsory redundancy, where possible.

The key principles of this policy are therefore:

* To set a consistent corporate framework when considering compulsory redundancy, voluntary redundancy and early release provisions.
* To provide a fair, transparent and consistent approach to employees, balanced with financial prudence and good governance over public money.
* To incorporate the ability to retain an element of flexibility, in accepted circumstances, to support complex restructures
* Where appropriate for the Council to use the discretions it has adopted from the Local Government Pension Scheme (LGPS) and under the Local Government (Discretionary Payments) Regulations.

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

In the event that workforce reductions and redundancies are inevitable, the Council will consider the following criteria for determining the circumstances where compulsory and voluntary redundancies will apply and will seek to avoid the use of compulsory redundancy, where possible.

Consideration of Voluntary redundancy would include:

* Where change is anticipated or planned and the option of Voluntary redundancy at an earlier stage would achieve efficiencies.
* The requirement and demonstration of a clear business case, which would require approval prior to consultation with staff.
* Would be subject to an affordability assessment to ensure that any voluntary redundancies would over an identified time period achieve the efficiencies required
* That the Council has the funding to afford a voluntary redundancy approach.
* The need to ensure that an appropriate balance of key skills and knowledge are retained within the Council

Consideration for Compulsory redundancy would include:

* Where there is a clear reduction or removal of funding necessitating a reduction of numbers of employees.
* The requirement and demonstration of a clear business case, which would require approval prior to consultation with staff.

Proposal for change which may require a reduction in numbers of staff

Engage with affected staff, trade unions, council members etc, as appropriate, and commence consultation procedure

Consider opportunities for Voluntary Redundancy, if appropriate

(consider relevant scope and skill retention)

Appeal procedure

Redundancy selection and notice of redundancy procedure

Compulsory Redundancy procedure

(if all available alternatives explored and exhausted)

Consider all alternatives to redundancy:

* Resource Management (inc Overtime, management of fixed term contracts etc)
* Redeployment
* Flexible working
* Flexible retirement
* Early release
* etc

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

**Voluntary Redundancy**

In the event that the Council accepts applications for voluntary redundancy payments will be based on the following:

* + 1. The statutory multiplier based on age and length of service but calculated on actual weekly wage rather than the statutory cap.

AND

* + 1. In addition a multiplier will be applied giving a compensation payment of a further 50% of the value of the payment in (a) above.

The total payment (a) plus (b) will therefore be 1.5 times the value of (a) above subject to the conditions below.

The Council has introduced a minimum payment threshold to support lower paid staff in the event of voluntary redundancy. This means that no employee, who qualifies for the minimum statutory provision shall receive a total payment of less than £1000 or pro rata if worked part time.

The Council has also limited the maximum weekly wage, above the statutory cap, to £1000 per week to limit the overall voluntary payment achievable for higher paid staff. This means that where an employee’s actual weekly wage is greater than £1000 gross per week the actual weekly wage used to calculate the compensation payments in (a) and (b) above will be capped at £1000 gross per week.

Example

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

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

**Compulsory Redundancy**

In the event that Compulsory redundancy cannot be avoided or mitigated the following payment will apply:

The statutory multiplier for age and length of service will be applied subject to the statutory cap on the weekly wage, which is at a level set by Government.

Example

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

Weekly wage £300 x no. of weeks (based on statutory calculator) 12

= £3600

**Career Transition Support**

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

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

Council policies/plans which are relevant to this policy include:-

* Service Plans
* Workforce Development Plan
* Management of Change Policy

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

The responsibilities of those involved in the delivery, implementation and monitoring of this policy can be found in Appendix A of the Procedure.

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

The effective application of this policy and its principles will be determined by the following measures.

|  |  |
| --- | --- |
| **OUTCOME** | **MEASURES** |
| Financial Prudence | Appropriate and justifiable award of enhanced severance payments |
| Adherence to current Local Government Pension Regulations | Favourable internal and/or external audit |
| Consistency of Application | Favourable internal audit |

Evaluation and Review

This Policy and supporting Procedure and Guidelines will be evaluated at regular intervals using the outcomes and measures set out above.

The performance management framework of National Indicators and Corporate Performance Indicators will be utilised where appropriate to evaluate and implement appropriate action if required.

HR/OD will issue procedures and guidelines to enact this Policy and these documents will have the force of this Policy.

In order to ensure continuous improvement, the Assistant Director, HR/OD has delegated authority to make amendments to the Procedure and Guidelines to meet best practice and legislative requirements.

This Policy and supporting procedures and guidelines will be reviewed on an annual basis in the light of operating experience, changes in legislation, financial constraints facing the Council, or changes in Pension/ Redundancy Regulations.

**October 2010**