

LORETTO REDUNDANCY POLICY		No. 33
Date of Review: October 2019	Next Review Due: October 2022	Approved: April 2013

1.0 POLICY STATEMENT

Loretto recognises its responsibilities towards its staff and will endeavour to protect their security of employment and to avoid redundancy as far as possible.

Redundancy implies a reduction in the requirement for employees to carry out work of a particular kind in the place they were employed. Loretto is committed to a fair, consistent, objective and non-discriminatory selection procedure where the need for redundancy cannot be avoided.

Loretto, in its application of the redundancy policy, will ensure that no person is treated less favourably on the grounds of gender, race, colour, nationality, ethnic or national origin, religion or belief, age, sexual orientation, disability, gender reassignment, marriage or civil partnership, pregnancy, maternity and sex. The policy is written in line with the organisation's core values of openness and respect for the individual.

The policy has been written with reference to the ACAS Advisory Booklet "Redundancy Handling" and the following legislation:

- Trade Union and Labour Relations (Consolidation) Act 1992
- Collective Redundancies and Transfer of Undertakings (Protection of Employment) Regulations 1995 (SI 1995/2587)
- The Employment Rights Act 1996
- The Employment Act 2002
- Equality Act 2010

2.0 INTRODUCTION

It is Loretto's policy to minimise the need for redundancies wherever possible, by forward planning and good management of staffing budgets. It is an objective of the organisation to avoid redundancies by measures such as:

- a) Non-filling of vacancies / recruitment restrictions
- b) Maximising the use of temporary transfers or secondments to other organisations
- c) Restricting the use of overtime
- d) Restricting the use of relief staff
- e) Reduction of similar work undertaken by agency workers
- f) Restricting the use of work undertaken by consultants
- g) Retraining and redeployment

However, the organisation recognises that there may be changes in organisational requirements and technological developments which may affect staffing needs. There may also be changes in contracts between Loretto and relevant local authorities which could result in changes having to be made in service provision which in turn affect staffing needs.

It is the aim of Loretto to maintain the efficiency of the organisation in order to safeguard the current and future employment of our employees, in line with the level of service provision to our service users and tenants.

Loretto will, in consultation with the recognised Trade Union and / or employee representatives, seek to minimise the effect of redundancies through the provision of sufficient time and effort to finding alternative employment for affected employees. Where compulsory redundancy is unavoidable, the organisation will handle the redundancy in the most fair, consistent and sympathetic manner possible and minimise as far as possible any hardship caused to the employees concerned.

Where it is initially felt by senior management that a redundancy situation is unavoidable, then the recognised Trade Union and / or employee representatives will be informed as soon as possible so that consultation may begin. Loretto will contact the relevant recognised Trade Union when either a group of employees or one individual employee of the potentially affected employee group is / are Trade Union members.

3.0 EMPLOYEE REPRESENTATIVES

Where potentially affected employees are not Trade Union members, Loretto will inform and consult with other appropriate representatives of those employees. Employee representatives will be fully involved in meaningful consultation in the same way as Trade Union representatives, and will also represent potentially affected employees at all stages throughout the redundancy process, including at formal individual meetings.

Employees and their representatives have the right to participate fully and effectively in the process of consultation. Loretto will allow employee representatives' reasonable access to the employees they represent and to office accommodation and other facilities as appropriate. Employee representatives have a right to reasonable time off with pay during normal working hours to perform their functions and also to undergo appropriate training to enable them to do so.

3.1 Rules of Election of Employee Representatives

- Loretto will make arrangements as are reasonably practical to ensure that the election is fair
- Loretto will determine the number of representatives to be elected so that there are sufficient representatives to represent the interests of all the affected employees, in relation to the number and roles of the affected employees
- Before the election, Loretto will determine the term of office of employee representatives so that it is of sufficient length to enable relevant information to be given and consultations to be completed
- Candidates for election as employee representatives will be affected employees on the date of the election
- No affected employee will be unreasonably excluded from standing for election
- All affected employees on the date of the election are entitled to vote for employee representatives
- The employees entitled to vote may vote for as many candidates as there are representatives to be elected to represent them; or, if there are to be representatives for particular groups of employees, for as many candidates as there are representatives to be elected to represent their particular group of employee
- The election will be conducted to ensure that so far as is reasonably practicable, those voting do so in secret and the votes are accurately counted

Where an employee representative has been elected but subsequently ceases to act as an employee representative, resulting in certain employees no longer being represented, another election will be held satisfying these rules.

4.0 CONSULTATION

Meaningful consultation will take place between Loretto and the recognised Trade Union and / or employee representatives where proposals will result in redundancies. Meaningful consultation will involve the appropriate senior management and the recognised Trade Union and / or employee representatives discussing means of avoiding or minimising the number and effect of redundancies before making any decisions. Consultation should be genuine and must be undertaken with a view to reaching agreement. The appropriate senior management, the recognised Trade Union and employee representatives should work together to try and find potential solutions to minimise the number or effect of redundancies.

The minimum time periods required for beginning consultation are specified by statute where the number of employees to be made redundant is greater than 20 - i.e. where between 20 to 99 employees are to be made redundant at one establishment within 90 days, the minimum period for beginning consultation is 30 days and where 100 or more employees are to be made redundant at one establishment within 90 days, the minimum period for beginning consultation is 45 days.

Loretto undertake to begin consultation at least 30 days before the first dismissal notice takes effect in cases where even one redundancy is contemplated.

To allow the recognised Trade Union and / or employee representatives to be able to take a useful and constructive role in the consultation process, the appropriate senior management must provide enough information about the proposals. The appropriate senior management will therefore provide the recognised Trade Union and / or employee representatives with the following information in writing:

- a) The reasons why any posts have become redundant
- b) The numbers and job descriptions of employees it is proposed to dismiss as redundant
- c) The total number of employees of any such description employed at the establishment in question
- d) The proposed method of selecting the employees who may be dismissed
- e) The proposed method of carrying out the dismissals, including the period over which the dismissals are to take effect
- f) The proposed method of calculating redundancy payments

This information will be handed to each of the appropriate employee representatives and sent by post to the main office of the recognised Trade Union. Any other information which would be of use to the Trade Union and / or employee representatives in the consultation process (such as staff levels

and structure) will be provided on request and in accordance with good employee relations practice.

4.1 Exceptional circumstances

There may, exceptionally, be occasions when it is not reasonably practicable for Loretto to meet fully the requirements for minimum consultation periods or disclosure of information. In such circumstances, Loretto will do all that is reasonably practicable towards meeting the requirements.

4.2 Individual consultation

Consultation will also take place with the individual employee(s) who is/are to be affected by redundancies. They will be made aware of any agreed procedure and the opportunities for making representations. Individual employees will be informed in writing of the redundancy situation.

5.0 SELECTION FOR REDUNDANCY

Where measures to avoid redundancy have been taken, and the number of employees still exceeds requirements, there will be no other option but to select employees for redundancy.

Where circumstances such as reorganisation results in the removal of posts and creation of new posts in the organisation's structure, the organisation may opt to use a recruitment and selection exercise to determine the outcome. Any recruitment and selection process will be carried out fairly in line with organisation policies and core values.

5.1 Non-compulsory redundancy (voluntary)

The first method of selection will be to seek applicants for **voluntary redundancy**. Where the volunteers are from an area of surplus capacity, then voluntary redundancy may be considered. Applications for voluntary redundancy may be confined to selected categories of staff, and management (in conjunction with the Management Committee where appropriate) reserve the right to decide whether a particular employee should be granted voluntary redundancy. The organisation has the right to refuse an application for voluntary redundancy where this would not be consistent with the organisation's responsibility to ensure that essential skills are retained and that a balanced workforce is maintained to ensure the organisation's future sustainability.

In the event of an employee disputing the reasons for the rejection of their application for voluntary redundancy, the employee should use the organisation's grievance procedure to resolve the situation.

5.2 Compulsory redundancy

Where non-compulsory (voluntary) redundancy does not result in suitable volunteers or sufficient numbers of volunteers, then compulsory redundancy(ies) will be unavoidable.

The selection of candidates for compulsory redundancy will be based on the utilisation of objective and factual criteria as determined by the appropriate senior management in consultation with the recognised Trade Union and / or employee representatives. No person will be treated less favourably, on the grounds of gender, race, colour, nationality, ethnic or national origin, religion or belief, age, sexual orientation, disability, gender reassignment, marriage and civil partnership, pregnancy, maternity and sex. The criteria for selecting staff will include the need to maintain a balanced and efficient workforce in each service and department.

Some examples of objective and factual selection criteria **may** include:

- Skills and experience of employees
- Standard of work performance
- Attendance record - excluding any maternity related absence, any absence caused by a recognised disability and any time off for dependant care
- Length of service
- Current disciplinary record of employees
- Relevant qualifications

The above is a list of examples of objective and factual criteria which may be used in the selection of candidates for compulsory redundancy. It is by no means intended to be an exhaustive list. None of these criteria will be used in isolation.

During each redundancy situation within the organisation, any compulsory selection criteria which are applied will be agreed between the appropriate senior management and the Trade Union and / or employee representatives, and used objectively. No single criteria will be used in isolation and the weighting attributed to each selection criteria used will be agreed to ensure that the weighting attached to any one particular criteria is not unfair.

The organisation is committed to a fair, consistent, objective and non-discriminatory selection procedure where the need for redundancy(ies) cannot be avoided.

5.3 Formal Meetings

Employees who may be affected by redundancy will have at least three formal meetings with the appropriate senior management. Employees have the right to be represented by either a recognised Trade Union representative, employee representative or other colleague, or accompanied by a partner or friend at these meetings.

During the first of these meetings, which may be a group rather than an individual meeting, employees will be advised that they may be affected by redundancy. During the second meeting, employees will be advised of the agreed redundancy selection criteria and given the opportunity to discuss any possible alternative posts (**see Section 6**). At this meeting, the employee will be informed of the redundancy selection criteria, the reasons why they are being considered for redundancy and details of their own scores within the agreed selection criteria. Any proposals or objections from the employee will be presented at this stage and given consideration by the appropriate senior management. The third meeting will always be held on an individual basis with the appropriate senior management and the employee, with the employee being entitled to be represented or accompanied. Prior to this meeting each affected employee will be informed of the meeting in writing, and the letter will confirm that the purpose of the meeting is because their dismissal is being contemplated on the grounds of redundancy.

After the meeting, any information presented by the employee will be considered. If the decision is that the employee will be dismissed on the grounds of redundancy, the employee will be issued with formal written notification of redundancy. This formal written notification will set out the redundancy selection criteria, details of the employee's scores within the selection criteria, the termination of employment date, details of the redundancy payment and details of the appeals procedure (see Section 5.4 Appeals procedure).

In addition to formal meetings, affected employees are also encouraged to discuss any concerns with their line manager and/or other appropriate managers throughout the consultation and notice periods.

5.4 Appeals Procedure (see Appendix 1)

Employees who feel they have been unfairly selected for compulsory redundancy have the right to appeal the selection decision. Details of the appeals procedure will be included in the formal written notification confirming the redundancy.

6.0 ALTERNATIVE EMPLOYMENT

An offer of suitable alternative employment, where such alternative employment is available, may be made to employees to avoid the need for redundancy. Any such offer should be made to employees before the end of the original contract and take effect within 4 weeks of the end of that contract. The offer must contain sufficient information to enable the employee to decide whether or not to accept the offer, and must also indicate the differences between the alternative job role and the previous job role.

Where an alternative offer of employment is made which involves a different type of work, place of work or different terms of employment, the employee will be entitled to a **four-week trial period** in the alternative role. Where circumstances are such that the alternative role requires a longer trial period,

for example where further training is required, the four-week trial period may be extended by written agreement between management and the employee. Any agreement for a longer trial period must be made before the employee starts work in the alternative role (under the new or renewed contract).

The agreement must specify the date on which the trial period is to end and the terms and conditions that will apply thereafter. If during the trial period either the employer or the employee give notice to terminate the contract, then the employee is still treated as having been made redundant and will be entitled to any redundancy pay which they would have been entitled to had they not accepted the offer of alternative employment.

Notice should be given to terminate the trial period as follows:

- i) **the employee** must give 4 weeks notice or the remainder of the trial period (whichever is shorter)
- ii) **the employer** must give 4 weeks notice or the period of any outstanding contractual notice (whichever is the longer)

An employee who refuses an offer of suitable alternative employment, or who resigns during the trial period, will lose their right to a redundancy payment if their refusal or resignation is shown to be **unreasonable**. The employee, however, may not be unreasonable to reject an offer of alternative employment which would involve, for example, significant changes in travelling time or skill requirement.

In line with the Recruitment and Selection policy, certain criteria may be applied to give more favourable treatment to employees who are awaiting redeployment as a result of a redundancy situation. Members of staff under notice of redundancy will be given priority for vacant posts over other staff who are not at risk of redundancy, where they have the necessary skills or could be given appropriate reasonable training to undertake the vacant post.

6.1 Protection of salary

Where an employee accepts redeployment at a lower grade, their salary will be protected for a period of six months. After the six-month salary protection period has ended, the employee's salary will be reduced accordingly in line with the salary scale of the new post.

6.2 Additional travel expenditure

Where an employee accepts alternative employment at a different location, they will be entitled to receive reimbursement of additional travel expenditure for a period of six months from the date of commencing employment at the new location.

7.0 ASSISTANCE TO EMPLOYEES

All employees under notice of redundancy will be given practical assistance in the search for alternative employment. This will be provided by the HR Section in conjunction with local managers. In addition, the following assistance will be offered:

- i) Reasonable paid time off during working hours to attend interviews or to make arrangements for future training or employment
- ii) Access to facilities to assist with the preparation of cv's / job applications (including internet use, word processing and photocopying facilities)
- iii) The organisation will notify similar organisations of redundant employees' skills through the Voluntary Sector HR Forum

7.1 Redundancy Counselling

Redundancy counselling is available to all affected employees and will be provided by the Employee Counselling Service.

8.0 REDUNDANCY PAYMENTS

8.1 Calculation of redundancy pay

Redundancy payments will be at the rate of **4 weeks pay** per year of service for the first two years' service and at the rate of **2 weeks pay** per year of service thereafter, to a maximum of 25 years. Service will be calculated on complete years.

For the calculation of redundancy payments, weekly pay refers to normal weekly earnings including any allowances which are regularly paid (for example sleepover if this is a regular payment). Overtime earnings are not included unless overtime was part of normal working hours.

Redundancy payments are tax free up to a maximum determined by the Inland Revenue.

8.2 Payment in Lieu of Notice

Redundancy pay is given irrespective of and in addition to any payment which may be made to terminate the contract in lieu of notice. As per Loretto's terms and conditions of employment, the employee is entitled to a notice period and where it is decided that the employee need not work this notice period, payment in lieu may be made for all or part of the period.

Any payment in lieu of the notice period will be subject to both tax deductions and National Insurance contributions.

An employee who leaves voluntarily during their contractual notice period will not lose their entitlement to redundancy pay provided that they leave with management agreement. The employee must seek management agreement should this situation arise. Agreement will be likely to be given where the employee is required to take up alternative employment or training during that time.

Employees who are made redundant will not be expected to repay course fees which would normally be expected where an employee left the organisation of their own volition.

9.0 POLICY MONITORING AND REVIEW

The Human Resources Section will review the implementation of the Redundancy Policy and Procedure.

The Policy will be contained within the Human Resource Policy Review timetable.

Human Resources in conjunction with senior management will ensure that the policy is applied fairly in line with equal opportunities, current employment legislation and the organisation's core values of openness and respect for the individual.

APPENDIX 1

APPEALS CONCERNING SELECTION FOR REDUNDANCY

There is a right of appeal for any employee who is dissatisfied with their selection for redundancy.

Appeals Panel

The members of the appeals panel will not take part in the selection of those to be made redundant. The appeals panel will be made up of senior management, including the Director of Loretto (depending on availability). Where the appeal is from a member of the Co-ordinating Management Group, the appeals panel will be made up of members of the relevant Board.

Appeals Procedure

1. Employees will be informed of their right of appeal and details of the appeals procedure will be included in the formal written notification confirming the redundancy.
2. Appeals must be sent in writing to the Director of Loretto within 5 working days of receipt of the formal written notification confirming the redundancy. Where the appeal is from a member of the Co-ordinating Management Group, the appeal must be sent in writing to the Chairperson of the relevant Board within 5 working days of receipt of their letter of redundancy.
3. The letter of appeal must state clearly on what grounds the employee wishes to appeal their selection for redundancy.
4. Appeal hearings will be heard as soon as is practicable and without any unnecessary delay. The employee will be given adequate notice of the appeal hearing date, time and venue, and will be given reasonable time off to meet with the Trade Union / employee representative prior to the appeal hearing.
5. At the appeal hearing the employee has the right to be accompanied by a Trade Union representative, employee representative, colleague, partner or friend.
6. Senior staff involved in determining the selection criteria used for the particular redundancy may be called to the hearing if required.
7. The decision of the appeal panel will be confirmed in writing. If the appeal is unsuccessful, the employee and their representative will be provided with documented reasons for the selection in order to verify that the agreed criteria was followed. The decision of the appeal panel is the final stage of the internal appeals procedure.