



BISHOP GROSSETESTE UNIVERSITY

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## **BISHOP GROSSETESTE UNIVERSITY LINCOLN**

### **REDUNDANCY AVOIDANCE POLICY AND PROCEDURE**

Responsibility for updating this document is with Human Resources.

The policy takes into account the ACAS Guidance on Redundancy Handling (April 2009) and the ACAS Digest on Job Security (January 2010).

Manager responsible for policy:	Head of Human Resources
Forum for initial approval:	Senior Leadership Team
Date implemented:	May 2015

## **1. Introduction**

- 1.1 This policy sets out the University's approach to dealing with potential redundancies. It has been drafted in consultation with the recognised trade unions and has due regard to the ACAS Guidance on Redundancy Handling April 2009.
- 1.2 It is the aim of the University by careful planning to ensure as far as possible security of employment for our employees. However, it is recognised that there may be changes in competitive conditions, organisational requirements and technological developments which may affect staffing needs.
- 1.3 It is the intention, in consultation with the trade unions, to ensure that job security is maintained wherever practicable and every effort will be made to avoid compulsory redundancies. It is recognised however that circumstances may arise which result in the University seeking a reduction in staffing levels. This procedure recognises the benefit of early consultation and the importance of planning resources to avoid or minimise the need for redundancies.
- 1.4 Where compulsory redundancy is unavoidable the University will handle the redundancy in a fair, consistent and sympathetic manner. An equality analysis of the impact of the proposals will be undertaken in line with the established University procedures.
- 1.5 The procedure applies to all employees, including those on fixed term contracts and part time contracts.

## **2. Definition of redundancy**

- 2.1 The definition of redundancy can be found in Section 139(1) of the Employment Rights Act 1996 (ERA) and the statutory words are:
  - 2.1.1 For the purposes of this Act an employee who is dismissed shall be taken to be dismissed by reason of redundancy if the dismissal is wholly or mainly attributable to:
    - (A) The fact that his/her employer has ceased or intends to cease  
  
To carry on the business for the purposes of which the employee is employed, or to carry on that business in the place where the employee was so employed, or
    - (B) The fact that the requirements of the employers business  
  
For employees to carry out work of a particular kind or, for employees to carry out work of a particular kind in the place where the employee was

employed by the employer, have ceased or diminished or are expected to cease or diminish.

### **3. Consultation**

3.1 Consultation with the recognised trade unions will normally be undertaken regardless of the number of redundancies and will take place as early as possible. This will include ways of avoiding the dismissals, reducing the number of employees to be dismissed, and mitigating the effects of dismissals. Consultation will be undertaken with a view to reaching agreement on these issues.

3.2 Consultation will begin:

- at least 30 days before the first dismissal takes effect if 20 to 99 employees are to be made redundant at one establishment over a period of 90 days or less;
- at least 45 days before the first dismissal takes effect if 100 or more employees are to be made redundant at one establishment over a period of 90 days or less.

3.3 Consultations will precede the issue of dismissal notices. Notices will not be issued until the consultation process has been completed.

3.4 Consultation with individual employees will take place in addition to the consultation with the trade union. The individual will have the right to be accompanied by a trade union representative or work colleague if they wish during any consultation meeting.

3.5 The following information will be provided in writing to the appropriate representatives so that they can play a constructive part in the consultation process:

- the reasons for the proposals;
- the numbers and descriptions of employees it is proposed to dismiss as redundant;
- the total number of employees of any such description employed at the establishment in question;
- the proposed method of selecting the employees who may be dismissed;
- the proposed method for carrying out the dismissals taking account of any agreed procedure, including the period over which the dismissals are to take effect;
- the proposed method for calculating the amount of any redundancy payments made to those who are dismissed;
- in addition relevant financial information to support the proposals will be provided on request.

3.6 If it is proposed to dismiss 20 or more employees over a period of 90 days or less the University will notify the Redundancy Payments Service and send a copy of the notification to the trade union representatives.

## **4. Avoiding redundancies**

4.1 In attempting to avoid compulsory redundancies, consideration will be given to the appropriateness of the following measures:

- taking advantage of natural wastage;
- consider a recruitment freeze in the affected area or cutting back recruitment and reviewing the use of temporary staff;
- retraining employees whose skills are no longer in demand;
- redeploying employees to other parts of the organisation where possible;
- reducing or eliminating overtime working;
- considering short time working and sabbaticals;
- considering volunteers for redundancy;
- ensuring staff at risk of redundancy are aware of suitable posts;
- exploring opportunities for part time working;
- seeking alternative funding if applicable.

## **5. Selection criteria**

5.1 If having taken into account the measures to avoid or minimise redundancy, the number of employees still exceeds requirements, the proposed criteria for selecting employees will be provided to recognised trade unions for their comment.

5.2 The aim will be to determine selection criteria which will retain a balanced workforce appropriate to the needs of the University at the time and in the future.

5.3 The criteria will on each occasion be fair, objective, consistent and non-discriminatory.

## **6. Selection procedure**

6.1 When an employee is provisionally selected for redundancy they will be invited to attend a meeting with the appropriate manager. At this meeting they will be offered the opportunity to be accompanied by a trade union representative or work colleague. The purpose of the meeting is to inform and consult with the employee about the selection and to enable the employee to respond.

The employee may ask about the selection criteria and the manner in which they have been applied, and make representation as to why they should not have been selected. The University will take into consideration the representations made by the employee before making a decision.

6.2 If, after individual consultation, the University proposes to select the employee for redundancy the employee will be invited to attend a further meeting. The employee has the right to be accompanied by a trade union representative or work colleague. At this meeting the final decision will be confirmed taking into consideration the

outcome of the consultation process and any further representations made by the employee. This decision will be confirmed in writing.

- 6.3 Consideration will be given to suitable alternative employment opportunities and employees under notice will be given information about all available opportunities (see Paragraph 10).
- 6.4 If notice of dismissal by reason of redundancy is given, the employee's contractual or statutory notice (whichever is greater) will apply.

## **7. Appeals**

- 7.1 All employees have the right to appeal against dismissal for redundancy. To exercise this right the employee must set out their grounds for appeal in writing to the Head of Human Resources within ten working days of receiving written confirmation of the decision.
- 7.2 The appeal will normally be heard by a panel of three governors.
- 7.3 At the Appeal hearing the employee will have the right to be accompanied by a trade union representative or work colleague.

## **8. Time off**

- 8.1 An employee under notice of redundancy will be entitled to reasonable time off either to look for work or to make arrangements for training and future employment. Employees wishing to take time off are required to make the appropriate arrangements through their line manager.

## **9. Severance pay**

- 9.1 A redundancy payment is due only if the worker is an employee with at least two years continuous service. It will be calculated in accordance with the statutory redundancy pay table. For each complete year of service up to a maximum of 20, employees are entitled to:
- for each year of service under 22 years of age - half week's pay;
  - for each year of service at age 22 but under 41 - one week's pay;
  - for each year of service at age 41 or over - one and a half weeks' pay.
- 9.2 Actual weekly salary up to the prevailing statutory maximum will be used to calculate the payment.
- 9.3 Each of the two pension schemes, Local Government Pension Scheme (LGPS) and Teachers Pensions Scheme (TPS) has set conditions in relation to the

release of pension when an employee leaves by reason of redundancy.  
Detailed information is available from the scheme administrators.

- 9.4 Statutory redundancy payments are calculated on the basis of gross pay and there are no deductions for tax and NI. Tax will be liable on any payment in excess of £30,000.

## **10. Redeployment**

- 10.1 Employees who are under notice of potential redundancy after all avenues to avoid redundancy have been taken will be considered for alternative posts. They will be given prior consideration for any vacancy at the same or lower grade provided they meet the minimum requirements of the person specification. In this instance the employee may be asked to attend an interview to ensure they have clarity about the role.
- 10.2 Support and guidance with the application process will be provided on request.
- 10.3 In considering the suitability of an employee for an alternative post, consideration will be given to the employee being able to undertake the role with suitable training.
- 10.4 If the employee proves suitable or would be suitable given appropriate training, they should be offered the post and the job offer made in writing before the previous employment ends. Employees who unreasonably refuse an offer of suitable alternative employment may lose entitlement to redundancy pay.
- 10.5 Where an employee is offered a lower graded post as a suitable alternative, their current salary will be frozen for a period of two years or until the salary is overtaken by the top of the new grade whichever is sooner. At that point the employee's salary will be amended to the top point on the new grade.

## **11. Trial periods**

- 11.1 An employee who is under notice of redundancy has a statutory right to a trial period of four weeks in an alternative job where the provisions of the new contract differ from the original contract. The effect of the trial period is to give the employee a chance to decide whether the new job is suitable without necessarily losing the right to redundancy payment. The four-week trial period can be extended by agreement in writing, specifying the date on which it will end and the employee's terms and conditions after it ends.
- 11.2 The employer may also use the trial period to assess the employee's suitability. Should the University end the new contract within the four weeks for a reason connected with the new job, the employee will preserve the right to a redundancy payment under the old contract.

11.3 If the employee works beyond the end of any four-week period or the jointly agreed extended period, any redundancy entitlement may be lost because the employee will be deemed to have accepted the new employment.

## **12. Redundancy Modification Order**

12.1 Continuous employment for the purpose of calculating the amount of redundancy payment and for assessing the entitlement to a redundancy payment may be affected by the provisions of the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification Order (RMO)). If an individual has continuous service from a previous employer listed in the RMO, then that employment will be taken into consideration when assessing the entitlement to a redundancy payment and for calculating the amount of that payment.

12.2 If an employee who is under notice of redundancy receives an offer of a job from another RMO employer (e.g., another post 92 HEI, an FE College or local authority) before the termination of his or her employment and takes it up within four weeks of the end of the old employment, there will be no dismissal for redundancy payment purposes, no redundancy payment, and continuity of employment will be preserved in the new job.

12.3 If an employee takes a redundancy payment and commences work for the next RMO employer after four weeks have elapsed, then continuous service will be broken.