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| **Name of policy** | **Redundancy Policy** |
| **Policy Owner** | Head of HR |
| **Agreed date of implementation** | September 2017 |
| **Date of review** | September 2019 |

## REDUNDANCY POLICY

1. **Introduction**
   1. It is the policy of NCHA to provide security of employment for its staff and to avoid redundancy where possible.
2. **Consultation**
   1. Where NCHA is contemplating organisational change/s or reductions which may lead to potential redundancy situations, NCHA will consult with all affected employees individually regarding the proposals and the process to be followed.
   2. Affected employees will be placed ‘at risk’ of redundancy at the outset of the consultation period.
   3. Where a potential redundancy situation arises as the result of changes/ closures at any Care and Support project, NCHA will consider placing ‘at risk’ employees into a transfer pool at the outset of the consultation period. In the first instance, ‘at risk’ employees may be transferred to existing like-for-like project based vacancies. Preference forms will be issued to these staff to allow them to express a preference as to where they may be transferred to and, if necessary, a selection process may take place based on criteria agreed in advance. For employees remaining unallocated at the end of the process, the remainder of this policy will apply.
   4. The length of the consultation period will be determined by the number of proposed redundancies (see para. 2.5 below)
   5. (a) Proposed Redundancies: less than 20 employees affected

Whilst there is no statutory right to a consultation period where less than 20 employees are proposed redundancy, NCHA is committed to ensuring a reasonable period of consultation with affected staff and will notify the representatives of the recognised Trade Unions regarding the proposals and the process to be followed.

(b) Proposed Redundancies: more than 20 employees affected

Where it is proposed that more than 20 redundancies are required within a 90 day period, NCHA will commence collective consultation with the representatives of the recognised Trade Unions regarding the proposals and the process to be followed. These consultations will commence, as a minimum, in line with statutory requirements on consultation with employee representatives (currently 45 days before the first dismissals are due to take effect where 100 or more employees are affected, and 30 days where between 20 and 99 employees are affected). Individual consultation will also take place with affected employees.

* 1. Where 20 or more redundancies are proposed, NCHA will disclose to the representatives of the recognised Trade Unions, in writing, the following information prior to commencement of the collective consultation process:
     1. The reasons for the proposals.
     2. The numbers, categories and descriptions of roles it is proposed to dismiss as redundant.
     3. The total number of employees of any such description employed at the establishment in question.
     4. The way in which it is proposed employees will be selected for redundancy (see Section 4).
     5. How the dismissals are to be carried out, including the period over which the dismissals are to take effect.
     6. The formula for determining redundancy and severance pay.
     7. How representatives of non Union staff are to be elected or appointed.
  2. It should be emphasised that the number of employees placed ‘at risk’ and entering into consultation may be different to the number of proposed redundancies, and therefore not all ‘at risk’ employees will be selected for redundancy. For example, a team of 20 employees being reduced by 50% would result in 20 employees entering into consultation, with 10 proposed redundancies.
  3. Individual consultation meetings will be held between the employee and their line manager. A member of HR may also be in attendance. Consultation is a two-way process which enables affected employees to suggest alternative means of minimising or eliminating the need for redundancies.

1. **Measures to avoid or to minimise redundancy**
   1. The following measures will be considered jointly by NCHA and the recognised Trade Unions with the aim of avoiding or minimising the number of possible redundancies:
      1. Natural wastage.
      2. Restricting the recruitment of permanent staff.
      3. Restricting the use of sub-contract labour, temporary and casual staff working in directly related areas.
      4. Notifying ‘at risk’ employees of existing internal vacancies for which they may wish to apply.
      5. Reducing the hours of work, for example, by agreed part-time/job share working.
      6. Training or re-training employees for different work for which there is the requirement either at the same or at a different location.
      7. Voluntary redundancy and early retirement in advance of any compulsory redundancies. Offers from employees to take voluntary redundancy may not be accepted in all circumstances.
2. **Selection Criteria**
   1. If, having taken all reasonable steps to avoid compulsory redundancies, but where these remain unavoidable, NCHA will discuss with ‘at risk’ staff, and in the case of collective consultation with representatives of the recognised Trade Unions, how employees will be selected for redundancy and the criteria to be used with a view to seeking agreement. Selection will be by a procedure which is fair, consistent, transparent, objective and non-discriminatory.
   2. The selection criteria may include:

* Performance (including attendance and “live” disciplinary record)
* Experience ( including competency-based assessments)

# Skills and abilities

* Length of Service, weighted up to a maximum of 5 years
  1. The selection criteria will be appropriate according to the specific circumstances of the particular redundancy situation.

1. **Redundancy Dismissal Procedure**
   1. In all cases where an employee is selected for redundancy, an individual formal redundancy meeting will be held, at which the employee will be placed ‘under notice’ of redundancy.
   2. Each employee will be entitled to be accompanied at their individual formal redundancy meeting in accordance with the provisions of the Dismissal Procedure section 3.1 – 3.10.
   3. In all cases of dismissal for redundancy, the decision will be confirmed in writing to the employee. This letter will include details of their contractual notice entitlement, their redundancy pay (as applicable) and their right of appeal against dismissal.
   4. Whilst ‘under notice’ of redundancy until the effective date of dismissal, NCHA will continue to seek ways of mitigating redundancies and affected employees will be placed on a redeployment register, held centrally by the HR Team.
   5. Employees under notice of redundancy may be “skills matched” against any vacancies which arise and may be requested to attend a ring-fenced selection process.
   6. Notice may be withdrawn at any point up to the termination date if a suitable vacancy is identified.
   7. Employees may lose the right to redundancy pay (if applicable) if they unreasonably turn down suitable alternative employment.
2. **Support for employees** 
   1. Employees placed ‘under notice’ of redundancy will be allowed reasonable time off with pay to attend interviews with potential alternative employers, visits to Job Centres and Recruitment Agencies.
   2. The following support is available, if requested, to those employees who are placed under noticed of redundancy:
      1. Financial advice (via counselling line)
      2. Guidance on how to find another job
      3. Advice on completing application forms and attending interviews
3. **Redundancy Compensation**
   1. Employees who are to be dismissed on grounds of redundancy will be given their contractual notice entitlement or receive pay in lieu of notice.
   2. The employee’s final salary will be adjusted in the event of voluntary termination of their employment prior to the end of their contractual notice period.
   3. In the event of any arrangement for the employee to remain on garden leave/be paid in lieu for any part of their notice period, their pay for this period will be treated as taxable in accordance with HMRC rules.
   4. To be eligible to receive a redundancy payment, an employee must have been continuously employed for a period of not less than two years ending on the date at which their contract of employment is terminated.
   5. NCHA offers employees an enhanced redundancy pay scheme. This is based on the statutory formula with the capped weekly earnings being replaced by the employee’s actual gross weekly earnings. This total payment is then multiplied by 1.5. *(See Appendix 1 for examples).*
4. **Appeals**

Employees have the right to use the Dismissal Policy and Procedure to appeal against their dismissal on grounds of redundancy.

## APPENDIX 1

# **Redundancy Compensation**

The Employment Rights Act sets out how Statutory Redundancy Payments (SRP) will be calculated based on the following criteria:

* 0.5 weeks pay for each completed year of service in which the employee was 21 or under
* 1 weeks pay for each completed year of service in which the employee was aged 22-40
* 1.5 weeks pay for each completed year of service in which the employee was aged 41 and over

The maximum number of year's service that can be counted is 20 years and 'a week's pay' is capped at a maximum statutory rate set by the Government each year (£489 as at April 2017).

**Worked Examples:**

1. Employee aged 54, has 5 completed years service and earns £30,000 p.a. SRP would be calculated as follows:

* 1.5 weeks pay x 5 years service = 7.5 weeks pay
* £30,000/52 weeks = £576.92 capped at £489 x 7.5 weeks
* = £3,667.50 SRP

NCHA’s Enhanced Redundancy Pay Scheme replaces SRP and would be calculated as follows:

***£30,000 / 52 weeks = £576.92 x 7.5 wks = £4,326.92. Multiplied by a factor of 1.5 = £6,490.38 total redundancy pay. This equates to an increase of £2,822.88 above the SRP entitlement.***

1. Employee is aged 32, has 3 completed years service and earns £8,500 p.a. SRP would be calculated as follows:

* 1 weeks pay x 3 years service = 3 weeks pay
* £8,500 / 52 weeks = £163.46 x 3 weeks
* = £490.38 SRP

NCHA’s Enhanced Redundancy Pay Scheme replaces SRP and would be calculated as follows:

***£8,500 / 52 weeks = £163.46 x 3 wks = £490.38. Multiplied by a factor of 1.5 = £735.57 total redundancy pay. This equates to an increase of £245.19 above the SRP entitlement.***