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REDUNDANCY AND REORGANISATION POLICY

1. PURPOSE AND SCOPE

Henley on Thames Town Council has never made any employee redundant.

The aim of this policy is to help ensure that should job losses or Council reorganisations be necessary at any time in the future there is a procedure designed to facilitate the fair treatment of all employees. The policy is prepared following the provisions of the Employment Rights Act 1996.

2. REDUNDANCY

2.1 Definition

The statutory definition of redundancy is where either:

- The needs of the business for employees to carry out work of a particular kind have ceased or diminished, or are expected to cease or diminish
- or**
- The needs of the business for employees to carry out work of a particular kind in the place where they are so employed have ceased or diminished or are expected to cease or diminish.

2.2 Notification

The DTI (Department for Trade and Industry) lays down rules for notifying staff of potential redundancy with notification periods varying according to the number of potential job losses.

2.3 Employer's Obligations

Henley on Thames Town Council has legal obligations to staff in redundancy situations, which include:

- consulting, with a view to reaching agreement.
- ascertaining whether or not suitable alternative employment is available.
- giving reasonable time off for the redundant employee to find a new job.
- paying redundancy compensation.

2.4 Selection for Redundancy

If work had diminished and fewer jobs remained, employees would be selected for redundancy or redeployment based on an assessment of their suitability for the available posts and a review of their performance with the Council to date. The Council **would not** apply “last in, first out” (LIFO) as criteria for selection.

2.5 Measures to Minimise or Avoid Redundancies

The Council would consider appropriate measures in order to provide on-going employment for existing staff wherever possible, including:

- Early restriction of recruitment of permanent staff and consequent filling of vacancies on a temporary basis only.
- Not filling vacancies as they arise, permitting a gradual reduction in numbers by normal turnover.
- Not renewing temporary contracts

2.6 Notification of Redundancy

Where employees are potentially selected for redundancy, there are procedures which must be followed by law and which would be advised if such a situation arose. There would always be an appeals mechanism available.

2.7 Redundancy Pay

Employees with two or more years' service with the Council are entitled to **statutory** redundancy pay; the Accountant can advise on the current figure for a 'week's pay', up to a certain limit (current maximum £350, 2008/9) which is revised annually by the Government. The total amount you should be paid for redundancy will be based on how long you have been continuously employed, your age, your weekly pay.

Statutory redundancy pay is paid at the following rates for each whole year of service, to a maximum of 20 years:

- 0.5 week's pay for each full year of service where your age was under 22
- 1 week's pay for each full year of service where your age was 22 or above, but under 41
- 1.5 week's pay for each full year of service where your age was 41 or above

Redundancy payments will normally be paid free of tax, in accordance with current Inland Revenue rules.

2.8 Assistance for redundant employees

It is a legal requirement that employees under notice of redundancy are granted reasonable paid time off during working hours to look for new employment or to make arrangements for training.

Practical assistance such as access to typing and photocopying facilities may be provided to assist employees under notice of redundancy with applications for alternative employment. A specialist career counsellor may be engaged to meet with employees on a one-to-one basis to provide support and advice on the process of obtaining alternative employment.

3. REORGANISATION

3.1 Reorganisations Affecting Terms and Conditions

If an internal reorganisation occurs where an employee's work has not ceased or diminished but the employee does not accept the changes in terms and conditions then termination of employment could follow. This would not be a redundancy situation hence redundancy rights as explained above would not exist. An example may be a business requirement to change hours of work, where the employee is not able to work the new hours.

Any employee affected by a planned change would be consulted about the changes. The Council must demonstrate sound and substantial business reasons for the change. The Town Clerk would notify the employees of the change(s) to be made, with the date it will take effect. The change would be confirmed in writing.

If the employee does not accept the change this should be advised to the line manager in writing and a meeting would be arranged to discuss the non-acceptance. After the meeting the line manager will inform the employee of the outcome of the discussions and advise of the right of appeal, if appropriate. At an appeal the Town Clerk will review the complaint, the changes in terms and conditions and will make a decision based on this evidence. This decision will be communicated to the employee in writing. In either meeting the employee is entitled to be accompanied by a colleague.

If the employee continues not to accept the new change, his/her previous contract of employment may be terminated and s/he will be dismissed, with the required notice, the reason being "some other substantial reason".

3.2 Reorganisations not affecting terms and conditions

Where planned changes do not affect terms and conditions of employment, but are designed to improve efficiency or to meet changing

requirements, the line manager will:

- Explain, to the employees affected, the rationale for the change and give details of the changes to be made such as revised structures, reporting relationships, job descriptions etc.
- Allow employees affected enough time to consider the proposals.
- Be available to discuss proposals with employees on an individual basis if they wish.
- Take into account comments made by the employees.
- Communicate to all staff the final detail.
- Implement.

USEFUL CONTACTS:

More advice on employment rights, particularly related to Redundancy can be obtained from the following web-site: www.dti.gov.uk/er/redundancy

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