

**Adopted: April 2017**

**Reviewed: December 2023**

## **REDUNDANCY POLICY AND PROCEDURE**

*(affecting less than 20 employees)*

### **PURPOSE**

Age UK Cambridgeshire & Peterborough(AUKCAP) is committed to seeking security of employment for its staff and honouring the terms of its short-term employment contracts. However, there may be unforeseen circumstances that result in a need to reduce staffing levels and reorganise working practices. Sometimes circumstances may change without sufficient time for all stages of this procedure to take place sequentially and in those circumstances there may be the need for different stages, where practicable, to run concurrently.

AUKCAP has made provision to ensure it is able to fund redundancy payments in the event that funding sources are no longer available. Payments will be made to redundant employees in accordance with the statutory scheme.

### **SCOPE**

The purpose of this procedure is to set out the consultation arrangements that will be followed in the event of such circumstances, to ensure clarity and consistency. Nothing in this procedure should be taken as undermining the entitlements staff have as a result of legislation, where they may be greater than those provided for by this procedure.

### **POLICY**

#### **1 Consultation**

The reason for consultation is to ensure those staff affected have the opportunity to make representations on the basis of full information about the reasons for and the substance of the proposals, with a view to agreeing a way forward if possible.

Should AUKCAP foresee the need for:

- a reduction in staff due to a reduction in the work available
- changed working methods
- a reorganisation that results in the need for staff with different skills and knowledge
- change in location

Affected staff and appropriate trades union representatives will be advised as soon as possible of:

- the reasons for the proposed redundancies
- the numbers and descriptions of the employees it is proposed to dismiss
- the total number of employees of each description employed by AUKCAP
- the proposed method of selection
- the proposed method of carrying out the dismissals

Meaningful and genuine consultation will take place at the earliest possible time and should include discussion on:

- ways to avoid or reduce redundancies
- how people will be selected for redundancy
- any issues with the process
- time off to seek new employment or training
- how the organisation can restructure or plan for the future

AUKCAP will give serious consideration to any representations made by staff and trade union representatives and will respond in writing. All discussions that take place will be with a view to avoiding redundancies.

In the event that:

- There are more staff than remaining posts and / or
- Any existing staff are not suitable for new or remaining posts in the structure because their skills, knowledge experience or competency in key areas is less than required for the post and / or
- There are no suitable alternative posts available

It may be necessary to consider dismissal on the grounds that the employee is redundant. In this event, the process at section 7 will be followed.

## **2 Selection for Redundancy**

If staff reductions are unavoidable the following steps will be considered to avoid compulsory redundancy. In all cases the final discretion will lie with AUKCAP:

- Voluntary Redundancy - where staff are directly affected by the proposal or where the vacancy caused as a consequence would be suitable for redeployment of a potentially redundant employee
- Other organisational proposals - which have the same effect as the reduction required, by agreement with those affected

## **3 Selection Criteria**

Where compulsory redundancy is unavoidable, the criteria for selection will be discussed with representatives and/or trades unions and will be established to take account of the circumstances that apply at the time. Normally the criteria will take account of

- ability to perform the duties required in future by AUKCAP.
- discipline and performance records

The criteria will be applied to ensure there is no discrimination on any other grounds.

## **4 Alternatives to Redundancy**

AUKCAP will, where possible, offer suitable alternative work to those who would otherwise be made redundant, with retraining where practicable. Offers of alternative work will be made before the employee's last day of work to ensure continuity of employment.

**Trial period:** employees who accept the offer of alternative employment are entitled to a four week trial period which may be concluded at the end of four weeks by the employee or AUKCAP without loss of redundancy benefits.

**Training:** AUKCAP will provide suitable training where possible and the trial period may be extended to accommodate this.

## **5 Time off to seek new employment**

Employees under threat of redundancy will be granted reasonable time off without loss of pay to look for new work or arrange training.

## 6 Job search

AUKCAP will give reasonable assistance to potentially redundant staff to assist with looking for other work. These may include

- Contributions to compiling a CV
- Printing and copying facilities (by prior agreement)

## 7 Process

Before a final decision to dismiss an employee as redundant, the following three stage process will be followed:

### A Explanation of grounds for redundancy

AUKCAP will confirm in writing why the individual is at risk of redundancy, whether they have options e.g. voluntary redundancy or redeployment, & outline the consultation plans.

### B Consultation.

AUKCAP will consult with all affected employees. During consultation the following should be discussed:

- The changes that are needed, what the organisation plans to do and why
- Way to avoid or make fewer redundancies
- The skills and experience needed for the future
- The criteria for selecting employees for redundancy
- Any concerns the employee may have or wish to raise
- How the organisation can support and arrange time off for affected employees.

The employee will have the right to be represented by a trade union representative or work colleague at this meeting.

### C Appeal

Where a decision is made to dismiss the employee as redundant they can make an appeal against the decision if they feel they have been unfairly selected. Employees should put in writing the reason for their appeal to the Chief Executive, this should be done within 5 working days of receiving their redundancy notice. An appeal meeting should where possible be led by a senior staff member not involved in the redundancy making decisions leading to the appeal.

## 8 Notice of Termination

Redundant employees are entitled to their contractual notice. Pay in lieu of notice may be paid in the event the employee wishes to leave before the normal date of expiry of that notice with the agreement of AUKCAP, and without loss of redundancy pay.

## 9 Notice and Garden Leave

In addition to any entitlement of redundancy pay, employees are also entitled to notice in accordance with statutory and contractual provisions.

AUKCAP reserves the right to place an employee on 'Garden Leave' during notice following redundancy, if this is deemed in the best interests of the organisation and/or the employee.

### **MONITORING**

This procedure will be made available to all employees who may be affected by redundancy and their representatives.

The document will be reviewed every 36 months.

**Redundancy policy approved:** January 2024 (Date)



**Signed by Chair of Trustees**

## **APPENDIX 1 - REDUNDANCY PAYMENT**

### **QUALIFICATION CRITERIA**

To qualify for a redundancy payment the worker must be an employee of AUKCAP and must have at least two years' continuous service with AUKCAP.

### **CALCULATION OF REDUNDANCY PAYMENTS**

For each complete year of service, up to a maximum of 20, employees are entitled to;

- For each year of service under 22 – half a week's pay;
- For each year of service at age 22 but under 41 - one week's pay; and
- For each year of service at age 41 or over – one and a half weeks' pay.

### **CALCULATING A WEEK'S PAY**

A week's pay is that which the employee is entitled to under the terms of his or her contract at the 'calculation date'. The 'calculation date' is the date on which AUKCAP gives the employee the minimum notice to which he or she is legally entitled. If the pay varies the amount of a week's pay will be averaged over the 12 weeks prior to the 'calculation date'.

There is a statutory limit on what constitutes a weeks' pay. However, AUKCAP will pay the actual weeks' pay where the statutory limit is exceeded.

### **WHEN PAYMENT MUST BE MADE**

Redundancy payments should be made no later than an employee's final pay day. This can be paid later if both parties agree a date in writing. Employees should be informed when and how they will receive payment.

### **Tax implications**

Redundancy pay is paid tax and NI free up to a limit of £30,000.