

SOLON HOUSING ASSOCIATION REDUNDANCY AND REDEPLOYMENT POLICY

1. Redundancy

a. Introduction

The statutory definition of "Redundancy" is when an employee is dismissed wholly or mainly because of the following:

- i) the fact that the employer has ceased, or intends to cease, to carry on the business for the purposes of which the employee was employed by him or her, or has ceased to or intends to cease to carry on that business in the place where the employee was so employed, or
- ii) the fact that the requirements of that 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 they were employed, have ceased or diminished or are expected to cease or diminish.

The Management Committee will make all possible efforts to maintain secure employment for its employees and avoid redundancies. To this end the Management Committee will consider redeployment and voluntary redundancies before making any individual compulsorily redundant.

b. Causes of redundancy

A redundancy situation may occur due to a number of reasons, including but not limited to:

- i) changes in funding over which the Association has no control, leading to less income and the need to reduce costs;
- ii) changes in the type of work carried out by the Association because of different needs of its clients or the type of funding available;
- iii) re-organisation or re-structuring to make the Association more efficient;
- iv) changes of location for the Association's offices or schemes;
- v) merger or takeover of the Association with or by another organization;
- vi) a decision by the Management Committee to change the nature of the work carried out by the Association.

It will be necessary under some of the above possible options to consider the relevance of Transfer of Undertakings legislation.

c. Collective Consultation

Where 20 or more employees are proposed to be dismissed as redundant within 90 days the Association will follow the statutory requirements for consultation with a recognised trades union and consultation will begin at the earliest opportunity but at least 30 days before the first dismissal will take effect. Where fewer than 20 redundancies are proposed the Association will carry out consultation over a reasonable period in the circumstances but will begin at least 30 days before the first dismissal will take effect.

The Association will take into account any representations made by directly affected staff or by a recognised staff representative. The decisions made after consultation and the reasons for them will be given in writing to all staff directly affected and to recognised staff representatives. However, it is the responsibility of the Association's Management Committee to make decisions about staffing structure and to manage its resources within budgetary and other limitations and cannot therefore be bound by such representations.

Collective consultation will include the disclosure of the following information to the appropriate staff representatives at the Union's head office:

- Why the redundancies are considered necessary
- The number and descriptions of employees to be made redundant
- The criteria to be used for selecting employees for redundancy
- How the dismissals are to be carried out and over what period
- The method to be used for calculating redundancy payments

d. Individual Consultation

An informal face-to-face meeting will take place with the selected employee(s) whose posts are affected to discuss the proposed redundancy.

An employee may choose to have a representative of their choice present.

Consultation with the employees concerned, with a representative of their choice if they so wish will take place within 2 days after the informal meeting and before termination notices are issued. If no such meeting has been held in that time, notices will be issued anyway. Consultation with other staff affected (i.e. in the same section or with a direct working link) and with recognised trade unions will take place after the employee(s) concerned has/ve been consulted.

In consulting with staff on the reasons and effects of proposals to make redundancies, the following information will be made available to those staff directly affected and recognised staff representatives:

- i) the reasons for the proposals;

- ii) numbers and designations of the posts it is proposed will be made redundant;
- iii) selection methods;
- iv) the proposed methods of implementing those redundancies and the periods over which they would take effect;
- v) the anticipated effects of those redundancies on the Association

The decisions made after consultation and the reasons for them will be given in writing to all staff directly affected and to recognised staff representatives.

A financial statement detailing the calculation of the redundancy payment due to each employee will be completed by Human Resources, and after approval by the Management Committee each employee who is to be made redundant will be given a statement relating to the calculation of their own entitlement.

e. Selection for redundancy

If the need for redundancy arises the Association will identify the areas in which posts are no longer required and consider whether redundancy can be avoided by:

- i) natural wastage; or
- ii) re-deployment (see below)

If this is not possible, redundancy will be discussed with the employees concerned by the Management Committee's delegated representative for this purpose, and in consultation, if the employee so wishes with the recognised Trade Union.

Consideration will be given to redundancy being avoided by:

- i) voluntary redundancy:
 - a. by staff in other similar posts offering to be made redundant leaving their posts open for possible re-deployment; or
 - b. where re-organisation could be feasible

although there is no obligation on the Association to accept such offers;

- ii) job sharing or a reduction in hours through part time working;
- iii) early retirement.

f. Selection Criteria

In selecting employees with the same job for redundancy, selection will be based on the following objective criteria:

- i) Skills, competencies, qualifications and work experience;
- ii) Disciplinary and attendance records;
- iii) Past performance appraisals;

If the application of the above criteria does not produce a clear result then length of service may be taken into account as a 'tie breaker'.

Selection will be made by a panel appointed by the Committee which shall include at least two Committee members.

The above criteria have been decided upon so that bias is avoided as far as possible. The Association is committed to ensure that the selection procedure is followed fairly and may consider any reasonable and timely representation the Union or employees may make.

g. Training/Career Advice/Interviews etc

Subject always to the constraints of the Association's resources and other commitments, employees who are to be made redundant are entitled to the services of the Association's nominated Outplacement Consultants for career advice and job-seeking training during the notice period on terms and conditions that the Management Committee may make at the time to staff being made redundant.

Employees with sufficient qualifying service may whilst under notice take during working hours not more than half a day per week during the notice period to attend job interviews or outplacement consultation.

Time off for these purposes will only be permitted if prior notice of at least 2 working days has been given to their section leader and the HR Manager and which in the case of an appointment with the Outplacement Consultants includes written evidence to the HR Manager of the time, place and purpose of the appointment.

h. Notice

Notice of redundancy will normally be two months or statutory notice where this is longer.

i. Statutory Redundancy Entitlement

To be eligible for Statutory Redundancy Pay staff must have two years continuous service at the date of the redundancy notice and have not been offered suitable alternative employment by the Association.

The calculation of Statutory Redundancy Pay is based on the following table assuming that no other exclusions applies:

AGE	PAY
For each year of employment during which the employee was aged 41 or over but had not reached the age of 65	1 ½ weeks
For each year of employment during which the employee was aged 22-40 inclusive	1 Week
For each year of employment in which the employee was aged 18-21 inclusive	½ week

The calculation based on age and length of service gives a certain number of weeks' pay, which is then multiplied by the employee's contractual weekly pay. This is however subject to a maximum of 20 years' service and to a statutory maximum level of pay. This limit is reviewed each year and for 2003/04 is £260 per week.

For an employee aged between 64 and 65, the statutory entitlement is reduced by one twelfth for each completed month of the employee's 64th year.

j. Additional Pay Benefits

In addition to the Statutory Entitlement, the Association will make the following payment:

All staff made redundant shall receive a basic redundancy payment irrespective of length of service or number of hours worked, of 4 months contractual pay.

Staff may leave during the notice period to take up another offer of employment. They will only be eligible for Redundancy Pay, providing due notice is given, or a shorter notice period has been agreed by the Management Committee.

All redundancy payments will be made at the end of the notice period. A redundancy payment is money paid solely to compensate a member of staff for being made redundant and is tax-free. Payment in lieu of notice, and any outstanding holiday entitlement is taxable in full.

2. Redeployment

a) Introduction

Redeployment is where a member of staff is offered alternative employment because his/her current job is in effect redundant due to one of the reasons given in Section 1(b).

b) Statutory Redeployment

If alternative employment is offered to a member of staff whose post is being made redundant, before the ending of the employment under the previous contract, either by renewing the contract of employment or re-engaging him/her on a new one, to take effect immediately or within 4 weeks of the ending of the previous contract, the following rules apply:

- i) No redundancy payment is due if the employee unreasonably refuses an offer and the circumstances are either:
 - that the capacity and location of the new employment and the other terms and conditions of employment do not differ significantly from the previous contract; or
 - the provisions for capacity and location of the new employment is different wholly or in part, but is still an offer of suitable employment in relation to the employee.
- ii) No redundancy payment is due where the employee unreasonably terminates, or gives notice to terminate the new or renewed contract during the trial period provided that the employment offered was suitable in relation to the employee.

If an employee whose post is being made redundant accepts an alternative post under the rules detailed in (b) the employee is entitled to a minimum trial period of 4 weeks although this may be reasonably extended by agreement between the Management committee and the employee.

If the employee terminates the new contract during the trial period because the work is not suitable or for a 'reasonable' cause, the employee is entitled to a redundancy payment as at the termination date of the original redundancy notice.

If the alternative employment is terminated by the employer during the trial period for reasonable cause, the employee is entitled to redundancy payment as at the termination date of the original redundancy notice.

c) Additional Benefits

In addition to the statutory entitlement, employees would have the following additional benefits:

- i) A ring fencing procedure will apply where permanent members of staff who are being considered for redundancy will be given priority to apply for any vacancies which arise within the Association, subject to appropriate selection criteria.
- ii) If an employee accepts redeployment in a role whose basic salary is less than the employee's previous basic salary, they will continue to be paid their previous basic salary which will remain 'frozen' until such time as the normal basic salary for the new post is equal to it, after which the terms and conditions relating to pay applying to the new post would prevail.
- iii) Any employee receiving formal training for a professional qualification will continue to receive such training unless the Management Committee in its sole discretion considers such training to be a poor use of available training resources.

3. Appeals/Grievance Procedure

If any employee subject to redundancy feels that the procedures have not been followed correctly or is unhappy about any of the procedures, the employee should discuss it with the HR Manager in the first instance. If the employee wishes to take up the matter formally, the Association's Grievance Procedure should be followed.

Any appeals against decisions made under the Redundancy Policy will be conducted according to the Association's Appeal Procedure.

4. General Provisions

- a. During the consultation and notice periods, all employees whether subject to the redundancy proposals or not, are required to carry out their duties diligently and in accordance with their contract, standing orders, lawful instructions and to observe the normal duties of care in respect of confidentiality, publicity, property and assets tangible and intangible of the Association.
- b. The Association reserves the right to require any worker subject to redundancy not to attend the offices of the Association at any time or for any period during their redundancy notice period.
- c. The Association is not obliged to provide work for employees subject to redundancy during their notice period.

- d. The Management Committee will require every employee made redundant to deliver up all Association property, documents and copies of everything belonging to the Association and in their possession or under their personal control to the Association forthwith on demand and in any event prior to the termination date.
- e. The employees are required to observe the implied contractual term of mutual trust and confidence and not to do anything that might or might tend to damage the Association's reputation and/or goodwill with tenants or any other third parties.
- f. The Management Committee will require all employees where necessary and prior to the termination date to cooperate in handing over responsibilities to the Association and to sign any documents transferring any control in all assets, accounts, memberships or representation on behalf of the Association over which they have had personal control.
- g. This policy forms part of the employee's terms and conditions.