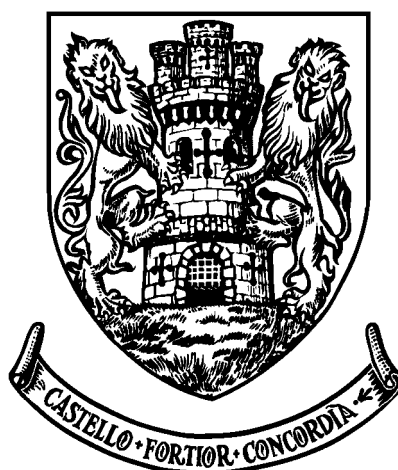


# NORTHAMPTON BOROUGH COUNCIL



## COUNCIL

Wednesday, 29 August 2018

**YOU ARE SUMMONED TO ATTEND AN EXTRAORDINARY MEETING OF NORTHAMPTON BOROUGH COUNCIL, WHICH WILL BE HELD AT THE GUILDHALL NORTHAMPTON ON WEDNESDAY, 29 AUGUST 2018 AT 6:30 PM WHEN THE FOLLOWING BUSINESS IS PROPOSED TO BE TRANSACTED**

- 1. DECLARATIONS OF INTEREST**
- 2. APOLOGIES.**
- 3. PUBLIC COMMENTS AND PETITIONS**
- 4. RESTRUCTURE REPORT**

(Copy herewith)

George Candler – Chief Executive  
The Guildhall  
Northampton

## **Public Participation**

### **1. Comments and Petitions**

1.1 A member of the public (or an accredited representative of a business ratepayer of the Borough) may make a comment or present a petition on any matter in relation to which the Council has powers. A comment or presentation of a petition shall be for no more than three minutes. No notice of the nature of the comment to be made or of the petition is required except for the need to register to speak by 12 noon on the day of the meeting.

(Public comments and petitions will not be taken and the Annual Council Meeting or other civic or ceremonial meetings.)

#### **NOTES**

- i. Comments may be on one or more subjects but each person has no longer than three minutes to have their say.*
- ii. The same person may make a comment and present a petition on different subjects. In such instances that person will have three minutes to make their comment and a separate three minutes to present a petition.*

### **2. General**

A member of the public may make a comment, present a petition, ask a question or speak to a motion at the same meeting subject to the restrictions set out above.

### **3. Contacts**

Democratic Services: e-mail [democraticservices@northampton.gov.uk](mailto:democraticservices@northampton.gov.uk)

Tel 01604 837722

Mail Democratic Services  
Northampton Borough Council  
The Guildhall  
St Giles Square  
Northampton NN1 1DE

Appendices: 2



**NORTHAMPTON**  
BOROUGH COUNCIL

# **COUNCIL**

## **29<sup>th</sup> August 2018**

**Agenda Status: Public**

**Directorate: Chief Executive**

|                     |   |
|---------------------|---|
| <b>Report Title</b> | <b>Proposed Director redundancy payment</b> |
|---------------------|---|

### **1. Purpose**

---

- 1.1 The purpose of this report is to seek Full Council's approval of a proposed severance payment to be made to a Director of the Council upon their proposed redundancy in furtherance of the proposed savings as highlighted in paragraph 3.1.

### **2. Recommendations**

---

Full Council is recommended to:

- 2.1 approve the proposed severance package in respect of the proposed redundancy of the Director of Customers and Communities, as detailed in paragraph 3.1.4; and
- 2.2 delegate authority to the Chief Executive to take any actions necessary to implement the severance package if approved.
- 2.3 approve the use of the Medium Term Financial Plan (MTFP) Cashflow reserve to cover the costs of the redundancy detailed in paragraph 3.1.4.

### **3. Issues and Choices**

---

#### **3.1 Report Background**

- 3.1.1 As part of the Medium Term Financial plan for the Council, savings have been identified as £150,000 for 2018/19 and £250,000 for the next financial year. The Chief Executive was invited by the Leader to consider an appropriate

senior management restructure The Chief Executive took the opportunity to share his initial draft proposals with Cabinet members informally in May 2018. The Chief Executive has now proposed and consulted on a new senior management structure, which deletes the two current Director roles. One of the Director roles, the Director for Regeneration and Enterprise, is currently vacant. The other is the Director for Customers and Communities which is currently occupied.

- 3.1.2 The consultation process, which has now concluded, has been undertaken in line with the Council's Redundancy Policy, HR038POL (Appendix 1). No alternative structures were put forward as part of the consultation process that included the post of a Director.
- 3.1.3 Redeployment has been considered. However the proposed new structure does not contain a suitable alternative role to redeploy the Director of Customers and Communities into. Therefore it is proposed that to enable the Council to meet its savings targets, that the Director of Customers and Communities be made compulsorily redundant.
- 3.1.4 The costs to the Council associated with the proposed redundancy would be as follows:

**1) Redundancy pay:**

**£62,139.00**

*In accordance with The Managing Organisational Change, Restructures and Redundancy Procedure, (Appendix 2) redundancy pay is calculated using the statutory calculator, and actual week's salary (rather than the statutory capped weekly salary amount). Continuous service is 39 years. However, in accordance with the Procedure, the cap of a maximum of 20 years' service has been applied.*

*This amount would be payable by the Council.*

**2) Pension Entitlements:**

**Capital cost: £237,086.71**

*If the redundancy did proceed, the Council would need to make this payment to the Pension Fund to cover the capital cost of the pension entitlement. This capital cost refers to the amount that becomes payable by the employer in specific situations set out in the Local Government Pension Scheme Regulations, to cover the pension strain cost that occurs when a member of the pension scheme is entitled to immediate unreduced pension. This pension strain cost should be considered as part of the overall cost to the Council of the proposed redundancy.*

*The annual pension and pension retirement grant lump sum that the individual is entitled to, would be paid from the Pension Fund.*

### 3) Payment in lieu of notice (PILON)

Contractually a period of 6 months' notice is required to be given either by the Council or the employee to terminate the employment. The Council's Redundancy Policy explains that depending on the circumstances, the Council may waive its right to insist on employees working their notice and instead give payment in lieu of notice. In this case, it is intended to pay the Director 3 months in lieu of notice which equates to **£28,929.57** and agree that the remainder of the notice period does not apply.

**Total: £328,155.22**

3.1.5 As the total value of the severance package exceeds £100,000, in accordance with the Council's Pay Policy Statement, Full Council is being asked to approve the proposed payment.

3.1.6 The Localism Act 2011 contains the requirements for the Council to prepare, approve and publish a Pay Policy Statement ('PPS'). Section 38 sets out what information the PPS must contain.

3.1.7 Section 40 of the Localism Act states that an authority, in performing its functions under section 38 or 39, and has regard to any guidance issued or approved by the Secretary of State.

3.1.8 NBC's 2018/19 Pay Policy Statement accords with the Localism Act and Statutory Guidance which states, "*any severance package of £100,000 or more requires Full Council approval. The components of a severance package may include salary paid in lieu, redundancy compensation, pension entitlements (excluding the capital value of any pension entitlement), holiday pay and any bonuses, fees or allowances made*".

3.1.9 While NBC's Pay Policy Statement states that the capital value of any pension entitlement is excluded as a component of a severance package (when considering whether the £100,000 threshold has been reached), this exclusion is **not** contained within the statutory guidance. Therefore the full amount of payment will be as follows:

- Redundancy Pay: **£62,139.00**
- Pension Capitalisation: **£237,086.71**
- Payment in lieu of notice: **£28,929.57**

Total: **£328,155.22**

### 3.2 Decision details

3.2.1 Full Council is recommended to:

Approve the proposed severance package in respect of the proposed redundancy of the Director of Customers and Communities, as detailed in paragraph 3.1.4.

3.2.2 In accordance with NBC's Pay Policy Statement and the statutory guidance, Full Council is being asked if it approves the payment of a severance package in excess of £100,000. Therefore, Full Council has the ability to choose not to approve the payment.

3.2.3 If the severance payment is not approved, the proposed redundancy would not be able to go ahead because, save for any payment made in lieu of notice, the amounts of each element of the severance payment are not discretionary and Full Council could not therefore choose to substitute a different severance sum. The proposed redundancy payment is based on NBC policy, the pay of the individual and the length of service and is therefore a fixed entitlement if the individual is made redundant. The pension strain amount would be payable pursuant to and calculated in accordance with the Pensions Regulations.

3.2.4 It should be noted that the Council's HR department have run the consultation process subject to Full Council's decision on this matter.

#### **4. Implications (including financial implications)**

---

##### **4.1 Policy**

4.1.1 The Council's Redundancy Policy applies to the proposed redundancy of the Director of Customers and Communities.

##### **4.2 Resources and Risk**

4.2.1. The redundancy costs of £328,155 detailed in paragraph 3.1.4 are the one-off costs associated with implementing the senior management restructure. The total on-going savings resulting from this restructure are £377,042 per annum. This compares to the 2019/20 savings target of £250,000. The savings are associated with the deletion of the following three posts:

| <b>Post no.</b> | <b>Post Title</b>                               | <b>2018/19 total employee budget</b> |
|-----------------|---|--------------------------------------|
| XXX17           | Director of Regeneration, Enterprise & Planning | 140,950                              |
| XXX39           | Director of Customers & Communities             | 149,538                              |
| SPYC995001      | Head of Human Resources                         | 86,554                               |
| <b>Total</b>    |   | <b>377,042</b>                       |

4.2.2. The saving resulting from the senior management restructure for 2019/20 will meet its target of £250,000. The saving in 2018/19 will be £219,941 as there will only be a part year effect. The payback period for these costs is less than twelve months.

4.2.3. There are no additional on-going costs resulting from the restructure, the redundancy costs detailed in the report above will be one-off costs. This report recommends that these one-off redundancy costs are met from the MTFP Cashflow reserve.

#### **4.3 Legal**

This report is required to be in compliance with the relevant provisions of the Localism Act 2011 and the contents of statutory guidance in relation to decision making about severance packages for Senior Officers in local authorities. In considering and making a decision in respect of the recommendations in this report, the council is acting in accordance with the said legislation and statutory guidance.

#### **4.4 Equality**

4.4.1 A restructure business case was completed and presented at MTUCM on the 12<sup>th</sup> June 2018 which included an equality impact assessment.

#### **4.5 Other Implications**

4.5.1 None.

### **5. Background Papers**

---

5.1

*Openness and accountability in local pay: Guidance under section 40 of the Localism Act, February 2012, Department for Communities and Local Government*

*Openness and accountability in local pay: Guidance under section 40 of the Localism Act: Supplementary Guidance, February 2013, Department for Communities and Local Government*

*Restructure Business Case presented to MTUCM on 12/6/2018*

**George Candler  
Chief Executive  
0300 330 7000**



---

## Redundancy Policy

---



## Equality Impact Assessment

The Council strives to ensure equality of opportunity for all both as a major employer and as a service provider.

The Redundancy Policy has been equality impact assessed to ensure fairness and consistency for all.

### Version Control Schedule for Redundancy Policy

|  |                             |
|--|-----------------------------|
| Author (Post Holder Title)                     | HR Policy and Projects Team |
| Type of Document                               | Policy                      |
| Version Number                                 | V1                          |
| Document File Name                             | Redundancy Policy           |
| Issue date                                     | December 2017               |
| Document Held by (name section)                | HR – Governance             |
| For internal publication only or external also | Internal only               |
| Document stored on council website             | Yes                         |
| Next Review                                    | December 2018               |
| <b>Approved by</b>                             | HR Review/MTUCM             |

| Change History | Date                      | Comments           |
|----------------|---------------------------|--------------------|
| Version 1      | July 2017<br>January 2018 | HR Review<br>MTUCM |
| Version 2      |                           |                    |
| Version 3      |                           |                    |
| Version 4      |                           |                    |

# Redundancy Policy

## 1. Policy Statement

This policy sets out the Northampton Borough Council's approach to dealing with potential redundancies. It does not form part of employees' terms and conditions of employment and may be subject to change at the discretion of the Council.

Although the Council's policy is to avoid redundancies wherever possible, the needs of the business may from time to time require a reduction in the overall number of staff employed or organisational changes that result in some employees being made redundant.

Where this is necessary, the organisation will ensure that:

- the total number of redundancies made is kept to a minimum;
- employees and, where appropriate, their representatives are fully consulted on any proposals and their implementation;
- selection for redundancy is based on clear criteria that will, as far as possible, be objectively and fairly applied;
- every effort is made to redeploy or find alternative work for employees selected for redundancy; and
- support and advice is provided to employees selected for redundancy to help them find suitable work when their employment has come to an end.

## 2. Consultation

Appropriate consultations will be carried out with the recognised trade unions in respect of any redundancy proposals. Individual employees will also be consulted in respect of their own particular circumstances.

Consultations will be carried out in accordance with the managing organisational change procedure.

## 3. Voluntary Redundancy

To minimise the need for compulsory redundancies, the Council may consider requests from employees for voluntary redundancies.

The organisation reserves the right at its absolute discretion to decline requests for voluntary redundancy.

## 4. Redundancy Selection

The criteria used in selecting employees for redundancy will depend on the existing circumstances and the needs of the Council at the time. However, every effort will be made to construct a fair and robust set of criteria following appropriate consultations.

Individual employees who are provisionally selected for redundancy following the application of the criteria will be informed of the fact and invited to a meeting, at which they will be given an

opportunity to make representations that the application of the criteria results in unfairness to them or if they feel that there has been a mistake in the application of the criteria.

## **5. Alternative Work**

The organisation will make every effort to redeploy to suitable alternative work any employee who is selected for redundancy. Such employees will be informed of all the available vacancies in the organisation at the time of their selection and will be given an opportunity to discuss with their line manager or HR which vacancies are likely to be suitable for them. While priority will be given wherever possible to employees under threat of redundancy, the Council reserves the right not to offer positions to employees who will be unable to perform them satisfactorily.

Employees on maternity leave have a separate legal entitlement to be offered any suitable alternative work that is available if they are made redundant while on maternity leave.

## **6. Time off Work**

An employee under notice of redundancy will be entitled to a reasonable amount of paid time off to look for alternative work, attend interviews, etc. Employees wishing to take advantage of this right should make the appropriate arrangements with their line manager.

## **7. Termination of employment**

Depending on the circumstances, the Council may waive its right to insist on employees working their notice and instead give a payment in lieu of notice. Employees with two or more years' service may be entitled to a statutory redundancy payment. The amount of this payment and any other agreed severance payment will be confirmed when the employee is selected for redundancy and the sum will be paid along with the employee's final salary payment or payment in lieu of notice.

## **8. Forms**

All HR forms are available on the intranet.

## TEMPLATE BUSINESS CASE FOR MAJOR RESTRUCTURES

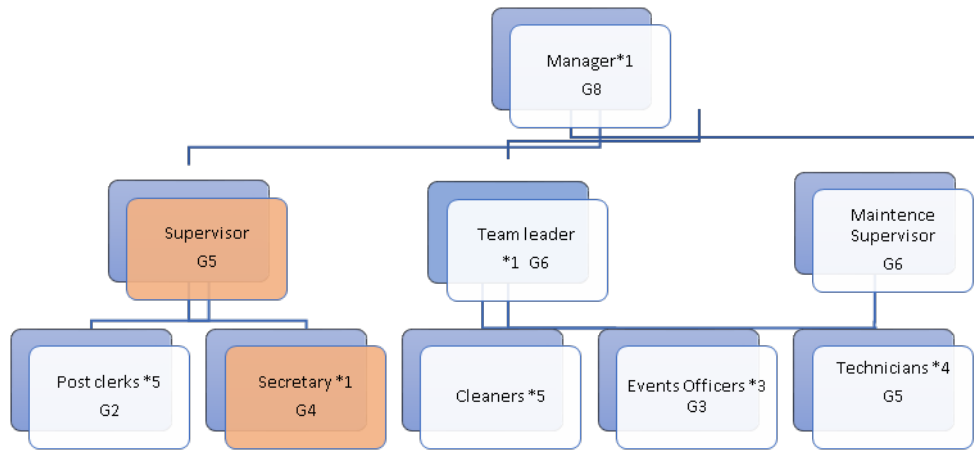
### Executive Summary

Summarise the objectives of the proposal  
The key advantages of the change, any risks and costs.

### Background and rationale

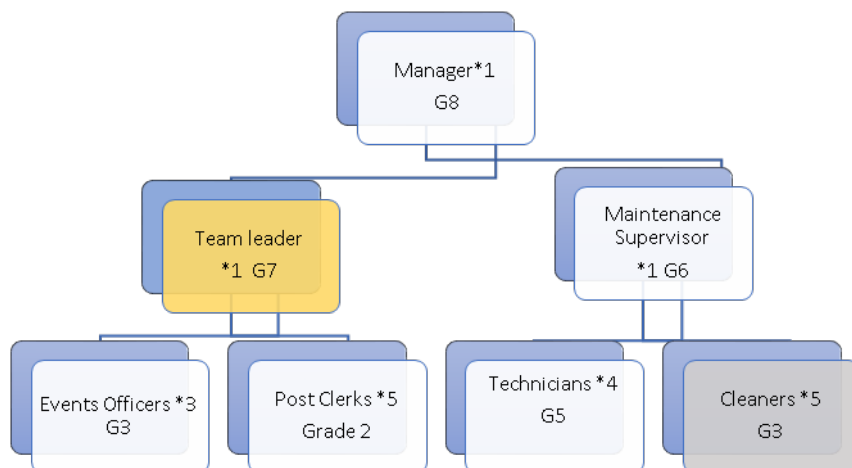
Department background  
Key drivers for change  
Estimate / quantify business improvement (efficiency gains, staff retention, etc)

### Current Structure



Explanation of changes to positions i.e. levels, grades, roles

### Proposed structure



**Explanation of the revised change**

Positions added/deleted, grades changed? Job titles? Levels? Number of reports? .....

**Resource Implications**

Deletion of 1 XX

| <b>Cost saving</b>  | <b>Saving Type</b> | <b>2016/2017</b> | <b>2018/2019</b> | <b>2019/2020</b> |
|---|--------------------|------------------|------------------|------------------|
|   |                    | <b>£000</b>      | <b>£000</b>      | <b>£000</b>      |
| Staffing costs including direct on costs of National Insurance and pension                  | Nos FTE's          | 0                | 50               | 0                |
| Buildings & facilities  |                    |                  |                  |                  |
|   | <b>Total</b>       | <b>0</b>         | <b>50</b>        | <b>0</b>         |
|   |                    |                  |                  |                  |
| <b>Costs incurred</b>   | <b>Cost Type</b>   | <b>2016/2017</b> | <b>2018/2019</b> | <b>2019/2020</b> |
| Redundancy costs  |                    |                  |                  |                  |
| Pensions costs (potential strain payment – estimate would be needed from NCC pensions team) |                    |                  |                  |                  |
| Any costs incurred by other depts. because of change  |                    |                  |                  |                  |
| Relocation costs  |                    |                  |                  |                  |
| Additional external costs (if some of service now provided externally)                      |                    |                  |                  |                  |
| Redundancy trial period costs   |                    |                  |                  |                  |
| Reasonable adjustment costs   |                    |                  |                  |                  |
| <b>Balance</b>  |                    |                  |                  |                  |

## Finance Authorisation

## Selection criteria for redundancy

Please see redundancy matrix form for potential criteria

## Operational advantages of change

Types of impact: (Technology change, delegates decision making, new types of role better job satisfaction, hours of worked mapped to peak workload, better use of resources, cost neutral/ cost reduction)

## Risk Analysis

The risks are identified as follows:

What impacts will there be internally, re workload, service levels etc.

## HR implications

Resources required form HR

## Consultation process and time line

The next steps and timetable are set out in the table below.

|   |            |
|---|------------|
| Informal consultation                   | March 2017 |
| Formal business case to MTUCM           | March 2017 |
| 1:1 meetings with affected staff        | April 2017 |
| Consultation meetings with staff groups | April 2017 |
| End of consultation                     | April 2017 |

**Key Consultation contacts**

**Line Manager**

**HR Business Partner**





**b) Where appropriate, will there be scope for prompt, independent reviews and appeals against decisions arising from the proposed policy/practice/activity?**

**Yes/No**

Staff will be XXX

**c) Does the proposed policy/practice/activity have the ability to be tailored to fit different individual circumstances?**

**Yes/No**

Flexible Working, Job Share, opportunities etc will all apply as per the Council's policies

**d) Where appropriate, can the policy/practice/activity exceed the minimum legal equality and human rights requirements, rather than merely complying with them?**

**From the evidence you have and strategic thinking, what are the key risks (the harm or 'adverse impacts') and opportunities (benefits and opportunities to promote equality) this policy/practice/activity might present?**

|   | Risks (Negative)           | Opportunities (Positive)   |
|---|----------------------------|----------------------------|
| Race  | None identified at present | None identified at present |
| Disability  | None identified at present | None identified at present |
| Gender or Gender Identity/Gender Assignment               | None identified at present | None identified at present |
| Pregnancy and Maternity (including breastfeeding)         | None identified at present | None identified at present |
| Sexual Orientation  | None identified at present | None identified at present |
| Age (including children, youth, midlife and older people) | None identified at present | None identified at present |
| Religion, Faith and Belief                                | None identified at present | None identified at present |
| Human Rights  | None identified at present | None identified at present |

**7 Proportionality**

**8 Decision**

## **Appendix 2**

(attach new or regraded job descriptions where applicable).

**1-1 TEMPLATE FORM**

|   |             |                       |  |
|---|-------------|-----------------------|--|
| <b>Name</b>   |             | <b>Job Title</b>      |  |
| <b>Line Manager</b>   |             | <b>Date of Review</b> |  |
|   |             |                       |  |
|   | <b>Item</b> | <b>Comment</b>        |  |
| <b>Current work issues</b>  |             |                       |  |
| <b>Resources workload?</b>  |             |                       |  |
| <b>Objectives</b>   |             |                       |  |
| <b>Training both on the job and courses</b>   |             |                       |  |
| <i>( include dates and feedback from training – what will they do differently now they have done it, how does it benefit their role.)</i> |             |                       |  |

|   |  |
|---|--|
|   |  |
| <p><b>Any development / improvement issues?</b></p> <p>Behaviour / Communication</p> <p>Job knowledge</p> <p>Quality of work</p> <p>Quantity of wok</p> <p>Use of initiative</p> <p>Customer skills</p> <p>Team working</p> <p>Absence</p> <p>Punctuality</p> |  |

**Staff Member Comments**

*Any comments staff member may want to make following the 1-2-1*

**Signatures**

|                      |              |
|----------------------|--------------|
|                      |              |
| <b>Staff Member:</b> | <b>Date:</b> |
|                      |              |
| <b>Line Manager:</b> | <b>Date:</b> |

## TEMPLATE REDUNDANCY SELECTION MATRIX

|   |              |                   |             |  |
|---|--------------|-------------------|-------------|--|
| Name of employee  |              | Job title         |             |  |
| Department  |              | Length of service |             |  |
| Name(s) of manager(s) making assessment   |              |                   |             |  |
| Criteria  | Score (1-10) | Weighting (1-5)   | Total score |  |
| Knowledge (e.g. of job, customers, the organisation)                                  |              |                   |             |  |
| Skills  |              |                   |             |  |
| Breadth and depth of relevant experience  |              |                   |             |  |
| Versatility (in terms of ability/willingness to perform different functions / duties) |              |                   |             |  |
| Relevant qualifications/training  |              |                   |             |  |
| Job performance   |              |                   |             |  |
| Attendance absence (to be completed by HR)  |              |                   |             |  |
| Timekeeping   |              |                   |             |  |
| Disciplinary record   |              |                   |             |  |
| Total score   |              |                   |             |  |
| Manager's signature   |              | Date              |             |  |
| Approval of senior manager  |              | Date              |             |  |

**Notes**

The range of 1-10 for employees' point scores should be applied as follows:

10 = highest (e.g. the employee's skills are exceptionally relevant and useful to the organisation)

1 = lowest (e.g. the employee does not have suitable or adequate skills to do the job)

For attendance, timekeeping and disciplinary the range of 1-10 will be applied as follows:

No warnings 10, Informal warning 6, Written warning 3, Dismissal 0. However please speak with HR before completing this section to ensure staff who may have exemptions are not incorrectly scored.

## Managing Organisational Change, Restructures and Redundancies

### 1 Introduction

Northampton Borough Council values its employees and aims to manage all employment related matters in a fair, transparent and consistent manner. This procedure, which has been produced in consultation with the Trade Unions, sets out the processes and procedures we will follow when implementing major organisational change that may involve the possibility of redundancies. Management and the Trade Unions are committed to working together through all stages of this process.

For minor organisational changes that do not involve redundancies employees should refer to the “minor restructures policy”.

A minor change, could be a change of office location.

A major change is one that results in redundancy or another major change in employment,

### 2 Scope

This procedure applies to all employees of Northampton Borough Council. This framework does not apply to positions that transfer to another employer as a result of organisational change (Transfer of Undertakings).

### 3 Approach

The Council is committed to providing continuous employment. However, there are times when it may be necessary to make changes in the organisation to improve performance, the services we provide, for efficiency reasons or to deliver new initiatives. When this happens, we will:

- Aim to minimise redundancies;
- Follow the agreed procedure for any redundancies that do occur;
- Carry out meaningful consultation with staff and the Trade Unions;
- Seek alternative employment for all potentially redundant employees;
- Provide timely communication and support to our staff..

### 4 Planning Organisational Change

The Directors have delegated responsibility for planning reorganisations within their own Directorates and the decision to begin this process rests with them. However, the Director of Finance & Support and the Head of Human Resources will approve the business case for change and decide whether the Chief Executive and/or Cabinet needs to be consulted.



Management, supported by HR, Legal and Finance, are accountable for justifying planned organisational changes. This includes looking at the financial implications of any changes (including any potential redundancies) before beginning any formal consultation with Trade Unions and staff. However, at this stage it is likely that initial discussions on the proposed changes will take place with the recognised Trade Unions.

Managers must consult:

- The Finance Department for estimates of benefits and costs, (this should be done at an early stage, before formally progressing proposals, to assess if the change is viable);
- The Human Resources Department for advice on the employment issues;
- The Legal Department for advice on any key decisions

An overview of the process of planning major changes is shown in the flowchart attached at Appendix 1.

It is recognised that these major changes are unsettling for employees and that the aim should be to complete the process in the shortest practical time, whilst allowing for meaningful consultation.

*For smaller changes within the organisation that may result in variations to employee's terms and conditions, the Council's "minor restructures policy should be accessed and used in conjunction with the Flexible Working Hours document, both of which are available on the Council's Intranet.*

## 5 Internal Consultation

The process of consultation involves giving any person likely to be affected by the changes a fair and proper opportunity to understand fully the matters about which they are being consulted and to express views on those subjects, with full consideration being given to those views. The aim of consultation is to seek mutually acceptable solutions, although recognising that the process of consultation may not always achieve this. Consultation is a means by which alternative options can be put forward and considered with the arguments for and against them being aired, without the necessity to reach agreement.

The purpose of consulting staff and Trade Unions is to encourage cooperation in finding solutions, share concerns and explore options. Trade Unions and NBC managers consult in the MTCUM forum, this ensures meaningful consultation during the period of change. At any stage during the consultation process there will be opportunities for individual employees to seek clarification regarding their own situation with Management and/or Trade Union Representatives.

We will endeavour to offer a minimum period of 30 days' consultation, regardless of how many jobs may be at risk of redundancy, we also want to ensure that any consultation is meaningful.

Statutory Consultation periods

There is also a legal requirement to consult where redundancies are proposed, as follows:

Table of statutory consultation periods

| No of People to be made redundant | Consultation period | When to start        |
|-----------------------------------|---------------------|----------------------|
| 1-19                              | None specified      | Earliest opportunity |

|                                      |         |  |
|--------------------------------------|---------|--|
| 20-99 (with a 30 day period)         | 30 days | 30 days before 1 <sup>st</sup> dismissal |
| 100 or more (within a 45 day period) | 45 days | 45 days before 1 <sup>st</sup> dismissal |

If 20 or more redundancies are identified, notification must be sent to the Secretary of State for Employment on the [form HR1](#). The relevant Trade Unions will also be sent a copy.

It is important to note that the consultation periods stated above relate to *number of employees* potentially redundant, as opposed to number of posts. This will be particularly relevant where more than one employee occupies a generic post.

The Application of Redundancy Framework attached at Appendix 1 outlines what should be covered at each stage of the process.

Before any dismissal takes place, the Council will, as a minimum, always follow ACAS best practice and take the following steps:

- **Step 1 – Consult** – outline in writing the reasons for and nature of the organisational change and give a copy to the employee(s).
- **Step 2 – Meet and follow up** – each affected employee will be invited to a meeting to discuss. The decision of redundancy will be confirmed in writing, including details of the right to appeal.
- **Step 3 – Opportunity to appeal** - if an employee feels the decision is unfair.

To ensure we comply with the above, the consultation plan will include individual consultation meetings with all employees declared at risk of redundancy. This includes any employees who are currently away from work due to maternity/adoption leave or who are on long terms absence. A colleague or Trade Union representative may accompany employees to the meeting if the employee wishes to be accompanied.

## 6 Redundancy Process

Definition

Redundancy occurs when a job has disappeared because:

- The Council is no longer going to carry out the business or service for which the person was employed;
- The Council is no longer carrying out the business or service in the place where the person is employed (in and around Northampton);
- The requirement to carry out work of a particular kind has ceased or diminished. This includes significant change to working practices, resulting in a requirement for different skills, perhaps as a result of re-organisation of services.

## 7 Avoiding Redundancies

The Council will aim to avoid compulsory redundancies where possible by aiming to:

- Offer suitable alternative employment where a vacancy exists;
- Restrict recruitment in areas where suitable alternative jobs may exist;
- Restrict or reduce the services of sub-contractors or agency workers in areas where suitable alternative jobs could exist;
- Reduce overtime in areas where it will reduce the threat of redundancy or provide job opportunities by doing so;
- Examine the opportunities for re-training and redeployment to other jobs;
- Take into account individuals' preferences where possible, such as requests for a reduction in hours, or a transfer to a different job or location;
- Consider requests for voluntary redundancy or early retirement (But see 8 below).

## **8 Voluntary Redundancy**

If the measures outlined in 7 above are insufficient to achieve any necessary reduction in the workforce, expressions of interest in voluntary redundancy may be invited from selected groups of employees.

Voluntary redundancy/voluntary early retirement may not always be considered for financial and operational reasons and the Council will aim to find suitable alternative employment for all redundant employees, even if they have stated a preference for voluntary redundancy.

However, as a last resort before implementing compulsory redundancy, employees' preferences for voluntary redundancy and/or retirement may be taken into account in conjunction with the business requirements. For example, preferences for voluntary redundancy may be considered along with other selection criteria if candidates for new positions have equal skills and experience, and redundancy costs are similar.

There may also be provision for transferred redundancies, known as "bumped redundancy", in accordance with current employment legislation.

Applications will be considered in the light of the need to maintain a balance in the workforce relating to skills and experience to meet the future needs of the Service(s) concerned, as well as the cost to the Council of agreeing to a request for voluntary redundancy/voluntary early retirement. The final decision to accept/reject an application for voluntary redundancy rests with management.

## **9 Selection Criteria**

Full details on redeployment options and appropriate selection criteria are set out in the "Managing redeployment due to redundancy" policy:

However, any selection criteria used, should not discriminate against pregnant employees, for example; pregnancy related absence should not be used in attendance related selection criteria.

## **10 Compulsory Redundancies**

Compulsory redundancy will not be considered until all other avenues have been explored and exhausted. In considering compulsory redundancy the Council will have due regard to equal opportunities legislation.

Should compulsory redundancy become necessary, each individual case will be considered on its merits and will be subject to consultation. The criteria on which the final decision will be based is as follows:

- The need to maintain a balance in the workforce relating to skills and experience to meet the future needs of the service concerned.
- The outcome of the selection process.

## 11 Redundancy Payments

10.1 Employees with more than two years' service will be entitled to redundancy pay in line with Local Government guidelines and statutory provisions. Redundant employees will receive two elements of their final pay:

- Normal pay (including pay in lieu of any outstanding leave) up to the agreed leaving date;
- A redundancy payment (where entitled) calculated in accordance with the statutory provisions;

In exceptional circumstances, the Council reserves the right to make a payment in lieu of notice. This will only be considered if it is in the best interests of the Authority, or on compassionate grounds, and will require authorisation by the Director of Finance & Support, the Head of Human Resources and the Chief Executive.

10.2 The same provisions apply whether the employee agrees to retire voluntarily or is made compulsorily redundant.

10.3 The redundancy payment provisions are as follows:

Based on actual weekly pay for full time employees (at the applicable rate at the time) for each completed year of service between the ages of:

- Up to 21                   .5 weeks' pay
- 22-40                    1 weeks' pay
- 41+                        1.5 weeks' pay

This is subject to a maximum 30 weeks' pay based on the last 20 years' service.

Pension – To be eligible for early release of pension benefits an employee must be:

- 55 or over;
- in the LGPS with at least 3 months membership or with transferred service The scheme gives;
- early release of pension (which is unreduced);
- payment of pension lump sum;
- Redundancy payment as detailed above.

10.4 The business case for any proposed early retirement(s) on grounds of redundancy and/or redundancy payment(s) must be demonstrated. The business case must include:-

- The costs of the proposed early retirement/redundancy payment(s)
- The on-going savings to be achieved
- The timescales within which the savings will be made, which should be achieved within a 3 year period.

The business case must clearly show that there are significant on-going savings which are achievable after all the costs associated with the early termination of employment have been

met. The Business case must be endorsed by the Director responsible for the service area where proposed changes will be implemented or the Chief Executive where the proposals will be implemented on a Council wide basis. The business case will be submitted to the Head of HR and another Director who will independently examine the merits of the case and make written recommendations to the Chief Executive. The decision to approve the proposed early termination of employment and the associated severance payments will be made by the Chief Executive. A record of approved and rejected proposals will be maintained by HR.

## 12 Support for Redundant Employees

Northampton Borough Council recognises that major changes and the risk of redundancy can be a stressful and unsettling time. Managers, with the support of Human Resources, are committed to helping employees by:

- Maintaining regular and effective two-way communication with staff during any reorganisation;
- Supporting employees in their development so they can work towards a new job which may require different skills;
- Allowing reasonable paid time off during working hours to seek alternative employment.

## 13 Appeals against Redundancy Dismissal

Employees who are selected for redundancy, or dismissed by reason of redundancy have the right to appeal if they feel that any aspect of the decision is unfair.

13.1 Employees are entitled to register an appeal once notice of redundancy has been issued (before the proposed dismissal date) to: an appropriate Director/Assistant Chief Executive. This Director/Assistant Chief Executive will be outside of the immediate area(s) affected by the redundancy).

- The employee has the right to be accompanied by a Trade Union representative or work colleague at the appeal meeting.
- The employee has 10 working days to lodge an appeal following written confirmation of the outcome of the selection process.
- Statements must be submitted 3 working days before the appeal hearing.
- The aim is to resolve within 15 working days.
- The decision of the Director/Assistant Chief Executive is the final stage in the appeals process..

Appendix 1 Business plan and Consultation Flowchart

