
Redundancy policy and procedure

Introduction

1. This policy sets out the organisation's approach to dealing with potential compulsory redundancies. It has been agreed between the Scottish Funding Council (referred to as the Council from this point on) and the trade union at the Council – UNITE the Union (referred to as UNITE from this point on). It covers all staff who are employed by the Council and forms part of their terms and conditions of employment.
2. Civil Service Terminology: Compulsory redundancy is where an employer has no choice but to compulsorily select posts as redundant. Under current Civil Service(CS) protocols an employer would be expected to offer staff the chance to apply for Voluntary redundancy (seeking volunteers to apply for redundancy) before running a compulsory redundancy scheme.
3. Voluntary exit – is where an employer operates an exit scheme, which may or may not follow CSCS guidance, to seek voluntary exits as part of a restructure or a need to meet changes in how work is carried out. Voluntary exit terms have to be approved by the Scottish Government (SG) before they are applied and they can differ from those offered under Voluntary Redundancy or Compulsory Redundancy.
4. Voluntary redundancy – under current CS protocols staff would generally be offered the chance to volunteer for redundancy prior to a compulsory scheme being enacted. There may however, be exceptions where this is not possible – for example the closure of an entire department or organisation.

General principles

5. It is in the best interests of the Council and their employees to maintain as stable an environment as is practical in which people's jobs are secure. The Council should take all reasonable steps to avoid compulsory redundancies. However, where redundancies are unavoidable, they must be dealt with in line with the principles and procedures set out below.
6. When redundancy seems likely, consultation with UNITE will start as soon as possible with a view to reaching an agreement. This consultation will continue through to the conclusion of the situation. To maintain good relations with employees, the Council must consult individual employees whose posts may be made redundant. This process will allow the Council to consider any proposals individual employees may put forward that might alter the situation. Redundancies will be handled in a fair, consistent and transparent way. The Council will manage redundancies legally and in a way that minimises the potential adverse impact on both the employees and the organisation.

Procedure

Definition of redundancy

7. Redundancy is a special form of dismissal which happens when an employer needs to reduce the size of its workforce. An employee is dismissed for redundancy if the following conditions are satisfied:
 - The employer has ceased, or intends to cease, continuing the business, or
 - The requirements for employees to perform work of a specific type, or to conduct it at the location in which they are employed, has ceased or diminished, or is expected to do so.

Consultation

8. The legal position is that when 20 or more employees at one establishment are to be made redundant, collective consultations with recognised trade unions or elected representatives must start before a set date. For dismissals of 100 or more employees, this is at least 45 days before the notification of redundancies. For dismissals of 20-99 employees, this is at least 30 days before the notification of redundancies. If collective consultation is required, it must be completed before notices of dismissal are issued.
9. At the start of the consultation process the Council is legally obliged to give the following information to UNITE:
 - The reason for the redundancy dismissals.
 - The number of proposed redundancies and their job types.
 - The total number of employees affected.
 - The proposed methods of selection.
 - The procedure to be followed in dealing with the redundancies.
10. The Council will also consult individual employees and give them reasonable warning of impending redundancy. Although there's no minimum statutory timescale when fewer than 20 employees are made redundant, the individual consultation must be meaningful and may also be covered by contractual terms or policies. An employee is entitled to be accompanied at all individual consultation meetings by a trade union representative or colleague.
11. Arrangements will be made for consultation throughout the process.

Measures to avoid or minimise compulsory redundancies

12. All appropriate measures to avoid or minimise the need for compulsory redundancies will be considered. These measures will be in line with the overall commitment to take all sensible steps to avoid compulsory redundancy among permanent staff. The Council will consider measures including (in no particular order):

-
- Transferring staff to other areas of work.
 - Setting limits on recruitment or promotion (or both).
 - Reviewing the use of casual employees, fixed-term appointees, secondees from other employers and staff employed by contractors or private employment agencies.
 - Reducing or stopping overtime.
 - Retraining staff for redeployment to do other work where vacancies exist.
 - Allowing staff to temporarily fill vacant posts in lower pay ranges.
 - Inviting staff to volunteer for redundancy on voluntary redundancy terms.

This list is not exhaustive. If, after thorough consideration and consultation, these measures do not avoid the need for compulsory redundancy, other measures may be considered and discussed with UNITE.

Selection for redundancy

13. The criteria used in selecting employees for redundancy will depend on the existing circumstances and the particular needs of the Council at the time. However, all reasonable efforts will be made to construct a fair and robust set of criteria following appropriate consultations.
14. The criteria the Council will consider may include (in no particular order):
 - Length of service.
 - Skills or qualifications (based on objective evidence): in order to ensure retention of a balanced workforce appropriate to future needs. It may be appropriate also to take other aptitudes into account.
 - Individual ability (ability or specialist knowledge acquired as a result of special training, or an individual's value to the objectives of the Council).
 - Attendance, performance improvement or disciplinary records (based on current, accurate and valid records, with any reasons for shortcomings having been fully investigated).
15. Procedures and criteria used for selection purposes must be unbiased, non-discriminatory and in line with the Council's commitment to equal opportunities. Selection criteria will be the subject of consultation with UNITE, and be consistently applied to all employees from within the selection pool (including staff who are absent from the office for whatever reason).

Period of notice

16. Staff selected for compulsory redundancy must be given at least six months' notice. Scottish Government policy is that notice periods should be worked. However, it is

recognised that there may be cases where this is not practicable and subject to any necessary Scottish Government approval notice may be paid in lieu.

Alternatives to redundancy

17. The Council will consider alternatives to redundancy. If there are vacancies, alternatives include:
 - suitable alternative employment at the same grade; and
 - suitable alternative employment at a lower grade.
18. If staff move to a lower grade which is one level lower than their current post and they have a salary that falls out with the salary range for the lower grade the Council will normally freeze the salary (red circle) for a period of three years, and then reduce the salary so that it is no greater than the maximum of the grade below. In such cases the member of staff will be entitled to a trial period in the alternative employment. If the alternative is more than one grade lower, they will be offered a salary in line with that grade. A trial period will also apply. The purpose of the trial period, which will be for at least four weeks, is to allow the member of staff concerned and the Council to decide whether the alternative employment is suitable without staff losing the right to be treated as redundant if it proves not to be. A trial period may also be appropriate where staff are offered alternative employment at the same grade but in a different specialist area.
19. Human Resources will discuss options and timescales with each member of staff concerned and confirm them in writing.

Retraining

20. Staff who are under notice of redundancy may be given a reasonable period of retraining so they can take up vacancies that exist at the Council, as long as they are in other ways suitable.

Help and support available to staff

21. Staff in posts selected for compulsory redundancy may be helped in the following ways:
 - Employability skills (this could include advice on finding alternative employment completing application forms, mock interviews and feedback and so on).
 - Time off during notice (the Council will allow staff serving notice of redundancy reasonable time off on full pay to look for alternative employment. If staff find alternative employment, the Council will consider allowing them to leave before the end of their period of notice).
 - Help finding alternative employment (the Council may pass an individual's details to other Non-Departmental Public Bodies [NDPBs] in the hope that they may have

vacancies for which the individual may be considered. This will only be done with the individual's permission).

- Information and advice (Human Resources will provide information and guidance to staff affected by redundancy. UNITE will assist union members).

Compensation

22. The Council will formally write to tell all staff concerned of their circumstances, including notice, compensation and any other necessary information. Notice of redundancy will be confirmed in writing. The redundancy compensation arrangements for staff are part of the Civil Service Compensation Scheme. As such these are not contractual as they are subject to modification by government following consultation with the civil service trades unions, and require SG approval to apply them and the Council to be able to fund them. You can get current details of this from <https://www.civilservicepensionscheme.org.uk/members/civil-service-compensation-scheme-for-members/> though these are under review and can be subject to change by the government.
23. Current severance arrangements (these are drawn from the Scottish Public Finance Manual and may be subject to change by Scottish Ministers):
 - £95,000 administrative severance payment cap and recovery arrangements for voluntary early severance, voluntary early retirement, voluntary redundancy and settlement agreements.
 - Maximum pay-back period is two years for voluntary early severance and retirement schemes.
 - Maximum of six months' Pay in Lieu of Notice (PILON) period and reduced use of discretionary payments.
 - Introduced measures to improve governance, accountability and transparency of severance payments.

Appeal procedure

24. Staff selected for redundancy will have the right to appeal regarding the application of the selection criteria or any other aspect of this procedure. The notice of dismissal will tell staff about their right of appeal and to whom they should send their appeal.
25. Staff who want to appeal will have the right to appeal to a panel. The panel will consist of three senior Council officers, at least one of whom will be a Director and the other two at least at M1 or M2 level, who have been appointed to hear appeals, and who will not have been directly involved in the original decision. If the senior officers have been involved in the original decision, the panel will include members of the Council. The Council may also seek support for the panel from outside of SFC.
26. Appeals should be made in writing within 10 working days of the date the member of

staff receives the notice of redundancy. The reasons for the appeal should be clearly set out. Staff will be given the opportunity to have an oral hearing at which they may be accompanied by an UNITE representative or work colleague.

Review of this policy

27. UNITE or the Council may ask for this redundancy policy and procedure to be reviewed at any time.

Document history

This Policy and Procedure is a contractual document. It is negotiated between Management and Unite collectively on behalf of staff.

Version number	Changes	Date approved
1.0	-	30/01/2012
1.1	<ol style="list-style-type: none">1. Terminology added for clarification and distinction between compulsory and voluntary redundancy, and voluntary exit.2. Consultation paragraph expanded – general principles about consultation added; selection for redundancy updated to reflect the most common practice.3. Compensation updated with severance arrangements in line with the rules of the Scottish Public Finance Manual (SPFM).	17/12/2019 Ratified by JNCF

The amendments detailed do not include minor changes to text, titles, wording, grammar and style and those occurring as a result of restyling.

Review of this policy will be carried out where there are changes in legislation, practice or the organisation or where at the time of creation or amendment a specific future date is set for review.