

## **ARK HOUSING ASSOCIATION LTD (ARK)**

### **REDUNDANCY POLICY**

#### **1.0 PURPOSE**

- 1.1 It is ARK's aim to manage its finances efficiently to safeguard current and future employment with the Association. However, there will be unforeseen factors such as changes in competitive conditions and organisational requirements, which may affect the number of employees needed to meet business requirements. In order to respond in a flexible and positive manner to changing demands, it is necessary for ARK to have a framework to manage potential redundancies. ARK regards terminating contracts of employment as a last resort and will look at all alternative solutions prior to dismissing staff on the grounds of redundancy.

#### **2.0 SCOPE**

- 2.1 This policy applies to all employees within ARK and has been amended to reflect the Equality Act 2010.

#### **3.0 REASONS FOR REDUNDANCY**

- 3.1 It may be necessary to dismiss individuals or groups of staff for reasons of redundancy if the following circumstances occur:
- (a) ARK has ceased, or intends to cease, to carry on business for the purpose for which an employee was employed: or
  - (b) ARK has ceased, or intends to cease, to carry on business in the place where the employee is employed: or
  - (c) the requirements of the business for employees to carry out work of a particular kind, or to carry out work in the place where they were employed, has ceased or diminished or are expected to cease or diminish

#### **4.0 IDENTIFYING AFFECTED INDIVIDUALS/GROUPS OF STAFF**

Individuals and or groups of staff that may be affected will be identified as soon as possible.

The following are examples of steps which may be taken when selecting staff for redundancy:

- (a) Seeking volunteers for redundancy
- (b) Seeking volunteers who wish to take the opportunity to retire early from the Association
- (c) Utilisation of objective and factual compulsory selection criteria as determined by ARK in consultation with the Union. The prime consideration here will be the maintenance of a balanced workforce to ensure the future viability of the Services/Departments concerned or the organisation. Examples of criteria may include; experience, competence, attendance and disciplinary record

#### **5.0 CONSULTATION PROCESS**

##### **Representatives**

Where there are expected to be redundancies, consultation will take place with a Trade Union Representative at a level appropriate to the extent of the proposed changes.

Consultation will be carried out as soon as possible and at least within the statutory periods. For the purposes of consultation the Union will be provided with:

- (a) The reasons why any posts have become redundant
- (b) The numbers, descriptions and locations of the affected posts
- (c) The total number of staff employed at the affected location(s)
- (d) The proposed method of selecting the employees who may be made redundant
- (e) The proposed method of carrying out the redundancies and the time period.
- (f) The method of calculating the redundancy payment (see Section 8)

### **Staff**

The member(s) of staff likely to be affected by the change will be consulted at a time agreed with the Trade Union. In any case a formal meeting (at which the individual staff member may be represented if they so wish) will be held with a senior manager to discuss the following

- (a) The need for the redundancy
- (b) The basis for selection
- (c) Ways of mitigating the effects of the redundancy i.e. alternative work (see Section 6.0)

The affected staff will be given sufficient time to consider the discussion in order that they can raise issues, concerns etc. and seek advice where they feel it is necessary.

## **6.0 REDEPLOYMENT**

Prior to making staff redundant ARK will look at re-deployment and transfer options as an alternative where these are viable and meet the needs of the organisation.

When it is identified that a post holder is or may be declared displaced then consideration will be given to the experience and competencies of the individuals concerned and the availability of suitable alternative posts.

Where alternative employment is offered which is of a different type of work then the employee will be entitled to a 4 week trial period (this may be extended in agreement with a senior manager to allow additional time for activities such as training etc.) If during this trial period either the employer or employee gives notice then the employee is still deemed to have been made redundant.

If the employee refuses an offer of a suitable alternative employment then they will not be deemed to have been made redundant but to have resigned.

Relocation expenses will be discussed and agreed with the Trade Union prior to any relocation exercise.

## **7.0 REDUNDANCY**

Where it is not possible to secure a suitable alternative post for displaced staff, there will be no alternative but to make these staff redundant.

In these circumstances, payments made will be in accordance with Section 8.0.

In identifying staff who will be made redundant, consideration will be given to the future needs of the organisation and the agreed selection criteria (see Section 4.0)

## 8.0 REDUNDANCY PAYMENTS

All redundant staff (with 2 years' continuous service), irrespective of hours of work, will receive redundancy pay. Payments are based on statutory redundancy calculations, length of service (in complete years) and age during period of employment. The following table illustrates the calculation:

Age (yrs)	No. of weeks pay per complete year of service
16-21	0.5 week
22-40	1 week
41+	1.5 weeks

A weeks' pay for this calculation refers to basic contractual remuneration.

In addition to the above statutory provision a further 1/12<sup>th</sup> of the employee's basic annual salary is included in the redundancy payment.

Staff who have less than 2 year's continuous service will not receive redundancy pay. This is in accordance with the Equality Act 2010.

ARK's redundancy payments will be free of any deduction in respect of income tax up to a maximum of £30,000.

Employees who leave during their notice period will not lose their entitlement to redundancy pay provided they leave with ARK's consent. Consent will be given where the employee is required to take up alternative employment or training during that time.

**9.0 SUPPORT TO STAFF**

It is in the interest of the Association and the member of staff to achieve, wherever possible, redeployment/relocation which minimises both the professional and social effects on the individual.

Staff affected by redundancy, will be offered reasonable time off in agreement with their Line Manager to attend job counselling, training opportunities and paid time off to attend interviews.

It is appreciated that employees may require some personal support during this period. If this is the case, arrangements will be made for an independent and confidential counselling support facility if appropriate.

The HR Department will provide assistance with preparing a curriculum vitae and guidance in job search techniques if requested.

**10. EQUALITY & DIVERSITY**

At all stages within the redundancy process the principles of the Equality & Diversity Policy must be adhered to.

Agreed:	Approved by Senior Management Team	June 2014
	Approved by Resources Sub Committee	June 2014
	Approved by the Union	June 2014
	Next Review	June 2017