

Redundancy Procedure, August 2010

Preamble

It is the policy of CAAT to provide secure employment for its employees, therefore redundancy will be considered as a last resort. Redundancies will not be made where there is intention to take on another employee to do comparable work. CAAT is committed to keeping all employees as fully informed as possible about any possible future plans for redundancies, and committed to considering any possible alternatives to redundancies. However, it is recognised that under certain circumstances there may be a time when CAAT has no other choice but to make redundancies. If this is the case, CAAT will observe the procedures outlined below.

A quick overview of the procedure

The following stages will take place before making a permanent employee redundant:

- a) Employees fully inform SC of CAAT's financial situation.
- b) SC (non-staff) would discuss the situation (at an emergency meeting if a quarterly SC meeting isn't imminent), realise redundancies might be needed and establish a Redundancy Panel (RP) – *SC mtg 1*. (note: If the decision is a relatively simple one and not contested then the one month consultation could start here).
- c) RP would meet as soon as possible to consider its terms of reference. It will then meet with employees (and others) taking representations and seeing if any employee(s) is willing to take voluntary redundancy. The RP will then produce recommendations and circulate them to all employees and SC.
- d) Employees would make a response, both individually and as a whole, to these recommendations
- e) SC (non-staff) meets, having considered the RP recommendations and the employees response, decides to make definite redundancies (if no other alternative), specifying:
 - which area(s) of work is (are) to be discontinued or mergedand / or
 - establishing provisional selection criteria (if more than one person works in the area to be discontinued and no voluntary redundancy has been offered) – *SC mtg 2*
- f) Employees are informed of the final decision to make redundancy(ies) and RP carries out a formal one month consultation period with employees/employee representatives
- g) RP meet to apply the selection criteria and decide which individual(s) is (are) to be made redundant. (note: this is only relevant if CAAT has more than one person working in a particular area).
- h) Employees are informed of redundancy decision(s) with notice, support and pay information clearly explained
- i) Appeal takes place if necessary.

The above procedure gives guidance under the worst case scenario where SC and staff disagree on whether redundancies are necessary. It is hoped it would take no longer than 6 months in total. If SC and staff agree on the redundancy issue, voluntary redundancies are taken up, and/or only one employee works in any area then the process shouldn't take more than 3 months.

1) REASONS FOR REDUNDANCY

CAAT may consider redundancies under the following circumstances:

1. If there is insufficient income to sustain all current employee positions without significant cuts to CAAT's activities, and where this situation is judged likely to persist in the medium term. (NB: current employee positions may include positions currently vacant due to the departure of previous employees, but NOT newly-created positions, except in exceptional circumstances, e.g. where the new position is essential to comply with the law or the survival of CAAT.)
2. If there has been a SC decision to restructure the organisation.
3. If the majority of an employee's role and responsibilities has come to an end.
4. If a decision has been made to close down the organisation.

2) POLICY

- 1 The final decision to make redundancies shall in all cases be taken at a SC meeting, taken by non-staff members of SC.
- 2 In all but reason 1.4 above, SC shall establish a Redundancy Panel (RP) to consider and make recommendations on how to deal with the situation (or exceptional circumstances such as legal necessity), including the possibility of redundancies. The role of the RP is discussed in section 3 below.
- 3 If SC decides to close down CAAT, in accordance with any procedures laid out in the Structures Document, then it will involve making all employees redundant, and a RP is not necessary.
- 4 Employees must be informed of the RP meeting (where the discussion on redundancies takes place) at least two weeks beforehand to give employees, trade union representatives and other interested parties the opportunity to make representations.
- 5 Employees not in attendance at SC meetings where potential redundancies are realised should be notified of the situation and discussion at the earliest opportunity.
- 6 In all cases, SC shall consider all possible alternatives (taking into account the recommendations of the RP if one has been established). Measures for avoiding or minimising compulsory redundancies may include, but are not restricted to, freezing vacant posts, finding new sources of funding, retraining, redeployment, voluntary redundancy (note: SC may decide they cannot accept voluntary redundancy from certain critical posts), reduction or termination of temporary employee contracts, reduction of working hours and reduction of other expenditure. SC must consider whether the harm caused to CAAT by such alternatives outweighs the harm caused by the potential redundancy(ies).
- 7 Under no circumstances shall a post be made redundant if a new position is created to carry out substantially the same work.
- 8 The SC shall decide only on what *positions* and/or *areas of work* are to be subject to redundancies. This remains the case even where only one employee works in the position or area concerned.
- 10 If SC decides to make redundancies, it must record its reasons cogently and comprehensively for circulation to employees, volunteers, and other concerned parties within CAAT.

3) THE REDUNDANCY PANEL (RP)

- The RP shall consist of no less than four non-staff members of SC, and shall seek to meet as soon as possible after its establishment by SC to consider its terms of reference, draw up a timetable for its deliberations and communication with employees and others.
- The RP shall take representations from employees, their trade union representatives, volunteers, other members of SC, and may seek wider input from CAAT supporters as appropriate. In considering whether to recommend redundancies, the RP shall consider amongst other things:
 - a) Whether the funding shortfall, or other exceptional circumstance, is likely to persist in the medium term (i.e. long enough to pose severe problems for the organisation).
 - b) Whether redundancies could be avoided by considering all other possible alternatives
 - c) If redundancies are considered necessary, which positions or areas of work should be subject to redundancies, whether certain areas of work could be merged, how many redundancies will be necessary, what should be the method for redundancy selection, and when redundancies should be made.
- The RP should provide a recommendation to SC regarding possible courses of action.
- The RP should produce a recommendation within six weeks following its establishment. The RP must then circulate its report to SC at least two weeks prior to the SC meeting (*SC mtg 2*) where the subject is being considered. Thus giving employees, both individually and as a whole, as well as other concerned parties time to produce a response to the RP report for consideration by SC if wanted.

4) CONSULTATION PERIOD

If a decision to make redundancies is taken by SC (*SC mtg 2*), SC will write to all employees to inform them of:

1. The decision that has been taken and the reason for that decision

2. Details of efforts made to avoid the redundancies
3. Full financial details of the organisation
4. The likely numbers of employees that will be made redundant
5. That voluntary redundancies shall be invited
6. The proposed method of selection for redundancy if insufficient voluntary redundancies are possible
7. The date when the redundancy notices are likely to be issued (This must not be earlier than 30 days after the date of the issue of the letter)
8. Details of employee entitlements to redundancy pay, support, their notice period, whether they can leave prior to their notice expiring, the length of trial periods in an alternative work.
9. That a consultation period with a Redundancy Panel will begin immediately
10. Any other details the SC feels is relevant
11. Other information requested in advance by employees

The Redundancy Panel will represent the SC during the consultation period and apply the agreed selection criteria. The selection criteria must be non-discriminatory and based on agreed criteria such as skills, experience, job performance and/or attendance (care should be taken, however, to exclude any periods of absence that relate to maternity, paternity or disability). The SC may set other non-discriminatory conditions that the RP must adhere to.

A meeting of the Redundancy Panel and employees, and/or trade union representative(s) if wanted by employees, must be held within seven days of the issue of the redundancy letter. At the meeting, and any subsequent meetings (it is not envisaged that all the below issues will be settled at one meeting), the following items shall be discussed:

1. Method of selection for redundancy and any alternative proposals from employees/representatives
2. Other alternatives to redundancy, in particular redeploying affected individuals in alternative work in currently vacant positions within CAAT.
3. Arrangements for payments (including outstanding leave etc)
4. Arrangements for employees leaving dates, and time off to look for alternative employment
5. Any other item considered relevant by the SC
6. Any other item considered relevant by employees/representatives
7. Arrangements for future meetings

5) DECISION ON WHO IS TO BE MADE REDUNDANT

The Redundancy Panel will meet to apply the selection criteria (which may have been altered during the Consultation period) and determine the people to be made redundant once the Consultation is concluded, and if there are insufficient offers of voluntary redundancy. Any employee selected for redundancy will be written to regarding the outcome of the meeting and informed of their right of appeal.

NB: It is recognised that the question of selection for redundancy will in some cases be obvious, in that the decision by SC as to which positions / areas of work shall be subject to redundancy shall necessarily involve particular individuals.

6) OFFER OF ALTERNATIVE WORK

If there are vacant positions within CAAT at the time an individual is selected for redundancy, the Redundancy Panel shall make a careful skills match between the individual(s) concerned and the vacant position(s). The RP can then either a) offer a new position to an individual without an interview if they think it is clear that the individual satisfies the person specification for the post, or b) offer an interview for the post (if the individual needs to demonstrate they satisfy the criteria) and then decide.

If there is an offer of alternative work within CAAT, it should be made in writing, showing how the new employment differs from the old and must be made before the termination of the job from which the employee is being made redundant. The new contract must take effect within four weeks of the old contract terminating. An employee who is offered suitable alternative employment but unreasonably refuses may lose any entitlement to receive redundancy pay.

An employee who is under notice of redundancy has a statutory right to a trial period of four weeks in an alternative job where the provisions of the new contract differ from the original contract, and this period can be extended by agreement in writing. If the employee works beyond the four week period (or any agreed longer period) any redundancy entitlement will be lost because the employee will be deemed to have accepted the new employment. If an employee accepts a trial period in suitable alternative employment, but unreasonably refuses to accept the post on a permanent basis, this may mean that any entitlement to receive redundancy pay is lost.

7) APPEALS

Except in the case of closure (when it would be expected that all employees would be made redundant), employees have the right to appeal against selection for redundancy. This appeal shall be heard within seven days by an Appeal Panel consisting of members of non-staff SC except those on the Redundancy Panel. Employees shall have the right to be represented by a trade union officer or friend.

The employees/representatives will put their grounds for appeal to the Appeals Panel. These will be considered against the Redundancy Procedure, documentation of SC's decision to make redundancies, documentation of the RP's decision regarding the selection of individuals for redundancy, and answers to any Appeals Panel questions put to RP.

8) REDUNDANCY ARRANGEMENTS

Notice

A minimum of four weeks' notice in writing will be given for all employees. An additional weeks notice will be given to all employee's with over four complete years of service, an addition two weeks for employee's with over eight complete years, and so on up to a maximum of eight weeks notice.

Pay

For any employee who has worked for CAAT for 52 weeks or more before they are declared redundant, redundancy pay will be one month's salary for each year of continuous service, up to a maximum of 12 months' salary. Length of continuous service is counted backwards from the date on which the notice period for redundancy terminates.

Periods of absence caused by sickness, maternity, partner or adoption leave or compassionate leave will still count towards the period of continuous service, but days lost due to industrial dispute will not.

At the time of writing, CAAT's reserves are not enough to cover the above redundancy pay if all employees are made redundant. It has therefore been agreed that CAAT will be as generous as funds allow if it has to make all staff redundant.

Work Search, Advice and Training

- CAAT will seek to provide help and advice in looking for alternative employment, including writing applications, interview techniques and getting training.
- Paid time off will be given to look for work.
- CAAT shall arrange and pay for financial counselling, if needed.