

Report to: Council Functions Committee
Date of Meeting: 30th January, 2008
Report of: Head of Human Resources
Title: Proposed Redundancy Policy

1. **SUMMARY**

It is approximately four years since the Council's current Employment Agreement was introduced. It is therefore necessary to review this policy in the light of legislative changes and experience of using it. The new Redundancy Policy contained in Appendix One sets out the proposed future arrangements for handling redundancies and re-structurings at Watford Borough Council and also in relation to the potential establishment of Shared Support Services between Watford and Three Rivers District Council, subject to formal agreement by the Project Board.

2. **RECOMMENDATION**

RECOMMENDED that the proposed policy is adopted.

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Report approved by:

Tricia Taylor, Corporate Director

3.0 DETAILED PROPOSAL

3.1 Introduction

The Council's current Employment Agreement is a framework for managing organisational re-structurings which was agreed with UNISON in 2003. The Framework Agreement includes a Redundancy Procedure, Assimilation Policy, Early Retirement Scheme and Protected Earnings Policy. Since this document was written there have been various legislative changes such as the Statutory Dismissal Procedure, the Maternity and Paternity Regulations, and the Discretionary Payments Regulations(2006) all of which have been taken into account in writing the new Policy. The council revised its early retirement provisions in respect of redundancy following the introduction of the Discretionary Payment Regulations which are now incorporated in this policy. UNISON have been consulted on this policy and have agreed it.

In addition, the Head of HR at Three Rivers District Council, the HR Project Lead for Shared Services has been consulted on potentially applying it to the potential redundancy situation arising from sharing support services with Three Rivers District Council (if the decision to proceed with this project is made by the Executive at Three Rivers District Council In February and subject to the approval of the Shared Services Project Board and appropriate committee.)

3.2 Main Changes

The main differences between the Employment Agreement and the new Redundancy Policy are as follows:-

- The assimilation process is removed and replaced by the legal principle of offering suitable alternative employment where such alternatives are identified. Where there are fewer posts which are identified as suitable in the new structure, interviews and assessment centres would be used.(Assimilation has no status in law but is a local practice)
- The practices required by the Statutory Dismissal Procedure are specifically written into the Redundancy Policy
- The requirements on individual consultation are specifically written into the procedure to assist managers and ensure staff and unions are clear about what happens
- The legal rights of employees on maternity leave and how the rights of disabled employees fit into redeployment practices where employees in

different categories apply for redeployment are specifically set out in the policy

- The legal criteria of what constitutes suitable alternative employment are explained
- The new policy clarifies how protection works
- The council's policy on the award of discretionary payments is included

3.3 This policy has been considered by CMB and UNISON have been consulted. It is therefore recommended that this policy is approved and replaces the Council's current Employment Agreement.

4.0 **IMPLICATIONS**

4.1 Financial

The Director of Finance comments that the proposed changes may have some financial impact but it is not possible to assess whether these will be positive or negative overall, due to the individual nature of each redundancy. However any impact is likely to be minor.

4.2 Legal Issues (Monitoring Officer)

The Head of Legal & Democratic Services comments that the legal implications have been included in the policy.

4.3 Staffing

The new policy will update and clarify the policy and practices which apply in potential redundancy situations. An employee guidance note will be prepared and be circulated with pay slips to explain the new policy to staff.

4.4 Accommodation

There are no implications.

4.5 Equalities

The implications are included in the new policy.

4.6 Community Safety

There are no implications in this report.

4.7 Sustainability

There are no implications in this report.

4.8 Potential Risks

The purpose of this report is to reduce the risks of successful litigation against the council by updating our written policy

Appendices

The Proposed Redundancy Policy is attached at Appendix A

Background papers: None

File reference: None