

REDUNDANCY POLICY

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A registered Scottish Charity No.SCO39891 Registered: Scottish Housing Regulator.

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Registered under the Co-operative and Community Benefit Societies Act 2014.



1 INTRODUCTION

Milnbank Housing Association (MHA) aims to provide security and continuity of employment consistent with the need to ensure the continued viability of the Association.

A range of business plan techniques are in place to assist forward planning of budgets and staffing levels to ensure MHA is in a position to identify any potential redundancy situation well in advance.

The nature of redundancy is that there is no continuing need for a particular job within the Association. The test for this is that, after the redundancy:

- a) Where possible, there should be no additional burden of work falling on staff that remain in employment.
- b) Where possible, it should not be necessary to employ an external agency on a continuing basis to carry out tasks formerly undertaken by the redundant employee.
- c) There should be no marked increases in overtime work undertaken by continuing employees.

2 CONSULTATION

MHA recognises the importance of early, full and proper consultation with affected employees in respect of possible or proposed redundancies.

The consultation process will start before any public announcement of the redundancy (ies) and prior to any formal decision is taken in respect of the possible or proposed redundancy. Consultation will also take place with any affected employee(s) concerned and the representative TU. They will also be allowed to make representations.

If more than 20 employees are affected the consultation period will be no less than 30 days, if less than 20 employees there will be no less than 15 day consultation period'.

At all consultation meetings, employees will be given the opportunity to be accompanied by a work colleague or a TU Representative whether they are a TU member or not.

3 CONSIDERATIONS TO MINIMISE REDUNDANCY

MHA will make every effort to avoid redundancy by such means as:

- a) Non-filling of vacancies.
- b) Maximising the use of temporary transfers or secondments to other Associations.
- c) Reduction of work undertaken by outside consultancies or agencies.
- d) Re-training.
- e) Work sharing.
- f) Seeking volunteers.
- g) Redeployment.
- g) Any other mutually agreed means.

4 REDEPLOYMENT

As a means of avoiding potential redundancies MHA will highlight any redeployment opportunities that may be available during any consultation period.

If the redeployment offered is not considered a suitable alternative employment, (i.e. it is not in effect a very similar role); the affected employee will be free to decide if they wish to pursue this redeployment offered.

Any available suitable alternative employment (i.e. a role that is in effect very similar will be offered to the redundant employee before the end of their contract or to start no later than four weeks of the date of the end of their original employment). An employee refusing an offer of suitable alternative work will lose their entitlement to redundancy pay.

In the case of redeployment in the context of potential redundancy, a trial period of four weeks will be given, with adequate and appropriate training, and this can be extended by agreement on both sides.

Employees who are offered redeployment to a new job will retain the right to redundancy payments if the new role offered is not considered to be suitable alternative employment or it is, and either party reasonably decides that the new job is unsuitable and termination/dismissal occurs during the trial period.

Suitable alternative employment would normally only be considered unsuitable if it involves significant changes in travelling time, skills requirements or status. This list is not exhaustive.

MHA will give the employee a written copy of the offer of alternative work specifying the salary for the post, terms and conditions of the new role and also confirming whether a trial will be undertaken and if so, the date of termination of the trial period.

During any redeployment trial period, where an employee resigns, unless agreement is obtained, notice must be given and worked.

5 VOLUNTARY REDUNDANCY

Before pursuing any compulsory redundancies MHA will seek volunteers for redundancy from areas of surplus capacity. All volunteers will be considered if their work is in an area of surplus capacity.

Any offer of voluntary redundancy made would be entirely at MHA's discretion and subject to a settlement agreement being entered into between MHA and the employee prior to payment of any agreed voluntary redundancy settlement being authorised. As part of this process an employee would be required to take their own independent legal advice, and that MHA will meet the reasonable costs of taking such advice.

MHA will take professional advice from Mentor Employment Advisors about the terms of the settlement agreement to be entered into. Provided this has been done, and the terms agreed are within the offer level approved by the Management Committee, the Director has delegated authority to complete the agreement on behalf of MHA. The outcome and the final details of any payment will be reported back to the Management Committee.

6 SELECTION OF REDUNDANCY

The Association shall ensure that where compulsory redundancies are necessary, redundancy selection is made fairly in accordance with the selection criteria.

Redundancy selection will depend upon:

- a) Length of service up to 5 years (in accordance with the Equality Act 2010)
- b) Attendance record (discounting disability and maternity related absences)
- c) Skills and competencies in the role
- d) Work Experience
- e) Qualifications
- f) Conduct
- g) The need for a particular skill

This list is not exhaustive. A grid scoring system with the above, and any other relevant selection criteria, shall be used in redundancy selection.

The most important consideration in agreeing criteria will be to maintain a balanced workforce to ensure the future viability of the organisation.

MHA shall ensure that any selection is made fairly and objectively in accordance with the criteria and will consider any representations

made by the employee or his/her representatives in respect of such selection.

In calculating length of service, all continuous service with other Housing Associations will be counted.

7 ASSISTANCE TO EMPLOYEES

Every endeavour will be made to assist employees placed at risk of redundancy to secure alternative employment, this will include:

- a) Reasonable paid time off for interviews.
- b) Endeavour to provide welfare rights, benefits advice etc.
- c) Access to IT and other equipment for the preparation of individual C.V's.
- d) With the employees consent, notify other local employers of redundant employees and their skills.

8 REDUNDANCY PAYMENTS

ELIGIBILITY - All staff will be entitled to receive Redundancy Pay.

PAY IN LIEU OF NOTICE - Where it is agreed that it is not necessary for an employee to work his or her notice, they will receive 4 weeks pay in lieu for up to 4 years reckonable service. It will rise by a further week per full year's reckonable service up to 12 weeks.

PAYMENTS - Employees will receive, dependent on age at termination, 1 week per full year of service if between 18 – 21 years of age, 2 weeks for 22 – 40 and 3 weeks for between 41 years & over. A weeks pay will be on actual pay as calculated below. This will be paid up to a maximum of 20 years reckonable service

WEEKS PAY

This will be calculated on actual pay received as follows:

$$\frac{\text{Annual basic salary} \times 7 \text{ days}}{365 \text{ days}}$$

OTHER PAYMENTS

Any other payment offered will be determined by the financial resources available at the time and at the discretion of the Management Committee. MHA will also comply with the limits set by relevant regulatory bodies and in accordance with the provisions of the Housing (Scotland) Acts 2001 & 2010 and the Associations Control of Benefits and Payments Policy. Any enhanced redundancy payment will be inclusive of the statutory provision at the time.

The level of any enhanced payments and overall packages will be determined by the Management Committee and following consultation with Mentor Employment Advisors. Enhanced payments offered to individual employees will be open for acceptance for a fixed period and such terms will not create a precedent for future redundancy terms.

Voluntary redundancy payments may be higher than compulsory redundancy payments.

In the event that an employee refuses suitable alternative employment, their right to an enhanced or statutory payment may be forfeited.

9 POLICY REVIEW

This policy will be reviewed by the Management Committee every two years or sooner if circumstances require it.