



Redundancy Policy

This policy was agreed by KLS Trustees on 3rd December 2014, updated 2016.

All KLS policies are reviewed annually.

This policy will be reviewed again in September 2017.

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Charity Number: 1081248
Company Number: 3814833

1. About Katherine Low Settlement

Katherine Low Settlement is a multi-purpose charity that has been serving the communities of Battersea and Wandsworth since 1924. We are dedicated to tackling poverty and building stronger communities.

We run a range of our own community projects to support children and their families, older people, newly-arrived communities, and in the future with unemployed people. We also invite other charities and community groups to operate out of our premises – so together we can meet the diverse needs of the local communities of Wandsworth. Each week we work with 38+ charities supporting more than 500 people.

Visit www.klsettlement.org.uk

2. About KLS' Redundancy Policy

At KLS we aim to ensure the financial sustainability of the organisation so that, as far as possible, we safeguard our services and the employment of our staff.

However, KLS is funded from a variety of sources and funding may not be guaranteed. It is also recognised that there may be changes in service or organisational requirements that may affect staffing needs. As well as unexpected economic and political changes that can have an adverse effect on funding levels. In such circumstances KLS will seek to minimise the effect of redundancies through the provisions made in this policy.

KLS is committed to ensuring that this policy does not discriminate directly or indirectly on grounds of race, colour, ethnic or national origin, religion or belief, sex, sexual orientation, marital status, disability, age, trade union membership and activity. Part-time staff and those working under fixed-term contracts, shall under no circumstances be singled out for selection on different criteria to those applied to (comparable) full-time staff.

The redundancy policy is endorsed by the Katherine Low Settlement's Trustees and will be reviewed annually to make sure it remains relevant and appropriate to the needs of KLS employees.

This redundancy policy is freely accessible to all.

3. What is redundancy?

The Employment Rights Act 1996 says that redundancy occurs when:

- the employer has ceased, or intends to cease, to carry on the business for the purposes for which the employee was employed
 - the employer has ceased, or intends to cease, to carry on the business in the place where the employee was employed
- or
- the requirement of that business for employees to carry out work of a particular kind, or for employees to carry out work of a particular kind in the place where the employee was employed, has ceased or diminished or is expected to cease or diminish.

The reduced need for work may arise through lack of demand, lack of funding or a decision by the organisation.

4. Consultation

KLS shall aim to advise staff as soon as possible that there is an impending situation that may result in a redundancy. We will consult employees who may be made redundant, either individually or jointly, as soon as possible. The consultation will be to:

- give the details and reasons for the redundancy proposals
- discuss how the effects of redundancy can be minimised
- explain how any necessary redundancy will be handled
- explain how employees will be selected for redundancy (i.e. advise on criteria)
- give information about how the dismissals will be carried out and the period over which the dismissals will occur

Where 20 or more employees may be made redundant consultation will last no less than 30 days and KLS will, in addition, consult the elected representative(s) of the employees. Whilst there is no legal requirement for consultation if less than 20 are to be affected, KLS will aim to consult the elected representative of the employees. Such consultation will last no less than three weeks and longer where possible.

Staff affected are encouraged to contribute to the consultation process with their own ideas for preventative measures or possible alternative employment with KLS.

KLS will aim to keep all staff informed about general events, but not personal and confidential information.

5. Selection of posts for redundancy

KLS will select posts which are to be made redundant in a fair and reasonable manner. The exact criteria to be used in selecting posts for redundancy will depend on the circumstances but may include the following:

- whether work carried out by those posts is included in the annual work plan
- ending of project funding for posts

The selection will be made by the Trustee Board through discussion with the management team. When it is not possible for the Board to meet to make the selection the decision will be delegated to the Honorary Officers.

In making a recommendation for selection of posts to the Trustee Board the management team must consider whether any management team posts should be included. If no management posts are included in the recommendation the Trustee Board must ensure that this decision is justified by the management team.

Staff will be given an explanation of why the posts have been selected for redundancy and this will form part of the consultation procedure.

6. Selection of staff for redundancy

Where a group of posts has been selected as a “redundancy pool” KLS will select staff for redundancy from that pool in a fair and reasonable manner.

Where selecting staff for redundancy KLS will assess which staff will best enable it to meet its current and future objectives. The exact criteria to be used in selecting staff for redundancy may depend on the circumstances but may include the following:

- experience
- skills
- performance
- disciplinary record
- sickness absence record (frequent short term)
- attendance record

7. Selection procedure and notification

The selection will be made by members of the senior management team and one trustee, except where management posts are involved, in which case the selection will be made by the Chief Executive and a group of two trustees (selected by the Board or the Chair if there is no convenient Board meeting). Where the Chief Executive's post is involved the selection will be made by three trustees. Any selection decision will be reviewed and confirmed by members of the Board of Trustees.

The selection will be made using the principles set out above and applied objectively, where the criteria are subjective supporting evidence will be provided. Where possible a scoring system will be used to assess each candidate for redundancy against the relevant criteria. The scoring system will be weighted to place the most weight on the criteria with most importance for the organisation. The reasons for the decision will be recorded. Any records relating to redundancy will be retained for a year from the date of termination of contract.

Where at all possible the decision about which members of staff are to be made redundant will be communicated in person to the people concerned. This may occasionally be impossible if a member of staff cannot be contacted and notice needs to be given to other staff. Once the staff affected have been told the decision will be communicated to all other staff.

Staff who have been selected for redundancy will be given an explanation of why they were selected.

8. Measures for minimising or avoiding compulsory redundancy

KLS shall endeavour to seek out all possible means for minimising or avoiding compulsory redundancy, such as:

- Natural wastage
- Restrictions on recruitment, where this is appropriate
- Redeployment to other parts of KLS, where the skills, experience, conduct and performance meet the person specification and requirement for the alternative work

KLS will offer suitable alternative work if this is available. Interviews will take place. Suitable alternative work should not be at a significantly lower salary or level of responsibility. If suitable work is offered and the employee accepts it, and if the new contract starts as soon as the old contract ends or within four weeks of the termination then continuous service will apply. If suitable work is offered and the employee unreasonably refuses it, he/she loses the right to redundancy pay.

If the alternative employment differs in any significant way from the previous contract the employee has the right to a trial period of four weeks. The four week trial period can be extended for retraining purposes by an agreement in writing which specifies the date on which the trial period ends and sets out the employee's terms and conditions after it ends. In the event of unsatisfactory performance during the trial period the employee will be made redundant. The employee also has

the right to leave and be treated as redundant at the end of the agreed trial period. If the employee works beyond the trial period any redundancy entitlement will be lost because the employee will be deemed to have accepted the new employment.

Where there are insufficient alternative jobs available for the number of employees being made redundant, all these employees will be invited to apply for the alternative work, provided that they all have the relevant skills and experience. Selection will be made by interview. In this case the rules relating to a trial period still apply. If the first person selected for suitable alternative work leaves due to dissatisfaction on either side then another suitable candidate may be offered the post.

9. Voluntary redundancy

If appropriate, staff may be asked if they'd like to volunteer for redundancy. KLS will have a fair and transparent selection process for this. Staff won't automatically be selected just because they applied.

10. Time off to look for new work or training

Any KLS staff member who is under notice of redundancy will be given a reasonable amount of paid time off to look for another job or to arrange re-training, or receive redundancy counselling before expiry of the period of notice. The amount of time is at the discretion of the line manager.

11. Notice

Any member of staff affected by redundancy will be given written notice of redundancy as follows:

- 1 week for up to 2 years' service
- 1 weeks' notice for every year employed for those who have served between 2-12 years
- 12 weeks for those who have served for 12 years or more

If however the employee's contract requires them to give a longer period of notice than 4 weeks then that period will be matched.

Where an employee has leave or time off in lieu owing to them they may be required to take this time off during the notice period.

An employee's period of continuous employment is reckoned in complete years, starting with the first day of work and ending with the 'relevant date'. The 'relevant date' is defined as the date on which the notice given to the employee expires, that is normally the date on which the job or employment contract ends.

During the period of notice, and by mutual agreement, the employee may be allowed to leave KLS without loss of entitlement. Agreement by KLS will be considered in each case and will depend on whether the request is made on reasonable grounds. An offer to commence alternative employment by an alternative employer during the notice period, where failure to commence will result in the offer being withdrawn, shall constitute reasonable grounds.

12. Redundancy payments

Statutory redundancy payments shall be calculated as that laid down in legislation. The amount of redundancy pay depends on the employee's age, length of service and weekly pay.

For staff to be eligible for statutory redundancy pay, the following applies:

- be an employee working under a contract of employment

- have at least 2 years' continuous service
- have been dismissed, laid off or put on short-time working - those who opted for early retirement don't qualify

If eligible a payment will be paid automatically. Employees under notice of redundancy will be given a written statement showing the date of termination and how the amount of redundancy payment was arrived at.

Statutory redundancy pay rates are based on an employee's age and length of employment and are counted back from the date of dismissal.

Employees get:

- half a week's pay for each year of employment up to their 22nd birthday
- 1 week's pay for each year of employment after their 22nd birthday
- 1.5 weeks' pay for each year of employment after their 41st birthday

Length of service is capped at 20 years and weekly pay is capped at £479. The maximum amount of statutory redundancy pay is £14,370.

Staff who have been made redundant only pay tax on payments over £30,000. They don't pay any National Insurance. Tax and National Insurance are deducted from other termination payments, e.g. payment in lieu of a holiday or notice.

13. Appeals

Where an employee is not satisfied with a decision made concerning redundancy they should use KLS' grievance policy and procedure.