

REDUNDANCY PROCEDURE

(covering all employees)

CONTENTS

Section

1	<u>INTRODUCTION</u>
2	<u>SCOPE AND KEY STAKEHOLDER RESPONSIBILITIES</u>
3	<u>REDUNDANCY DEFINITION</u>
4	<u>INFORMATION AND CONSULTATION OBLIGATIONS</u>
5	<u>STEPS TO AVOID REDUNDANCY</u>
6	<u>SELECTION FOR REDUNDANCY</u>
7	<u>FORMAL NOTIFICATION OF REDUNDANCY</u>
8	<u>REDEPLOYMENT</u>
9	<u>VOLUNTEERS FOR REDUNDANCY</u>
10	<u>EMPLOYEE NOTICE OF TERMINATION</u>
11	<u>REDUNDANCY PAYMENT ARRANGEMENTS</u>
12	<u>GENERAL</u>
13	<u>SUPPORT</u>
14	<u>RAISING A CONCERN/APPEAL</u>
15	<u>REVIEW</u>

APPENDICES

A	<u>Key Stakeholder Responsibilities</u>
B	<u>Process for Selection of Surplus Employees</u>
C	<u>Redundancy terms</u>

REDUNDANCY PROCEDURE

(covering all employees)

1. INTRODUCTION

- 1.1 This Procedure will be used when circumstances require Culture NL Ltd to make redundancies.
- 1.2 Employees will be dealt with fairly and the Procedure will be consistently applied across Culture NL Ltd in a way that is non-discriminatory. Employees will have the right to be accompanied by a Trade Union (TU) representative or a work colleague at all formal meetings under this Procedure.
- 1.3 Trade Union representatives will be granted reasonable time off with pay, subject to service needs, to attend redundancy consultation meetings as appropriate.
- 1.4 While efforts will be made to avoid or mitigate the need for redundancies, there may be occasions where this is not possible and the final outcome is termination of employment by reason of redundancy.

2. SCOPE AND KEY STAKEHOLDER RESPONSIBILITIES

- 2.1 The Procedure covers all employees. This includes those on temporary and fixed term contracts where the reason for termination is compulsory redundancy.
- 2.2 The key stakeholders who can help to avoid or minimise the effects of redundancies include the Chief Executive; the Trade Unions; Service and Line Managers; employees and Human Resources. Their main responsibilities are outlined in [Appendix A](#).

3. REDUNDANCY DEFINITION

- 3.1 Redundancy is defined in law as a dismissal for one of the following reasons -:
 - a) employer has ceased, or intends to cease the business for which the employee was employed;
 - b) employer has ceased, or intends to cease the business in the place where the employee was employed; or
 - c) the requirement for employees to carry out work of a particular kind has ceased or diminished, or is expected to cease or diminish.

3.2 Redundancy is a dismissal regardless of whether an employee volunteers or is selected. Redundancy scenarios may include where-:

- a service is withdrawn or a building/ unit closes;
- staffing needs to be reorganised to meet organisational, budget or curricular changes;
- staffing reductions cannot be achieved in other ways.

4. INFORMATION AND CONSULTATION OBLIGATIONS

4.1 As early as possible, the Chief Executive will notify the Trade Unions and staff of the possibility of redundancy and initiate consultation. This must be before any final decision has been reached.

4.2 The consultation period should at least comply with the minimum legal periods set out below and may be extended by mutual agreement. The consultation process should be completed **before** notices of redundancy are issued.

No. of proposed redundancies	Minimum consultation period (normally before notice is issued)
<20 or single redundancies	30 days
20-99	30 days
100+	45 days

4.3 Information to be provided to the Trade Unions in writing by the Chief Executive will include-:

- reason(s) for the redundancy dismissal proposals;
- numbers and categories of staff it is proposed to make redundant;
- total number employed in each category at the establishment where redundancies are proposed;
- proposed method of selecting employees for redundancy;
- how and when the redundancy dismissals will be effected;
- the formula for calculating redundancy payments;
- other relevant details on the work area such as the level of vacancies, overtime, and use of agency staff etc.

4.4 Where 20 or more redundancies are proposed, HR will notify the Secretary of State (BIS). A copy of the completed HR1 form will be provided to the Trade Unions.

4.5 Consultation must still take place with the Trade Unions even where those affected are not Trade Union members or the reductions may be achieved through voluntary means. Consultation must be carried out with a view to reaching agreement and include ways to -:

- avoid the redundancies or reduce the numbers involved;
- mitigate the consequences of redundancy ;
- allow for any counter-proposals to be considered.

4.6 All employees affected by a redundancy proposal should be invited by their line manager to a consultation meeting (in a group or on a one-to-one basis) to discuss the possibility of redundancy and how this will impact on them directly. The employees should be informed in advance of the planned meeting, its purpose and that a Trade Union representative or a work colleague may accompany them.

5. STEPS TO AVOID REDUNDANCY

5.1 Culture NL Ltd and the Trade Unions will actively explore ways to avoid the need for redundancies and maximise the opportunities for staff. Steps that may be considered include -:

- natural wastage (that is turnover, normal retirements etc., non-filling of vacancies, recruitment management);
- reductions in overtime working;
- support for voluntary reductions in hours or other Flexible Workstyle Option requests;
- other cost reducing measures such as extended leave, breaks etc.
- voluntary early release arrangements (VERA);
- redeployment to suitable alternative employment;
- help from internal/external agencies to find work outside Culture NL Ltd.

5.2 These options should be actively explored during the consultation period.

6. SELECTION FOR REDUNDANCY

6.1 Employees may be identified as surplus and potentially redundant in a number of different ways-:

- a) already in a supernumerary position and at risk of redundancy;
- b) automatically identified as surplus because they are in a unique post or employed at a particular centre/location which is to close;
or
- c) selected from a “pool” using selection criteria.

6.2 Where it is necessary to select employees for redundancy, the **Process for Selection of Surplus Employees** at [Appendix B](#) will apply. Culture NL Ltd will consult with the Trade Unions in determining the selection “pool(s)” and the selection criteria.

7. FORMAL NOTIFICATION OF REDUNDANCY

- 7.1 A redundancy is a dismissal in law. Where an employee is identified for redundancy and dismissal is being considered the Chief Executive (or nominated officer with authority to dismiss) will write to the employee (supported by Human Resources) to -:
- a) set out the grounds on which it is considering dismissal;
 - b) invite him/her to a meeting to discuss the matter (including any outcome of the application of the redundancy selection criteria); and
 - c) provide a right of appeal against the decision (see section 14).
- 7.2 The employee has the right to be accompanied at the meeting(s) by a Trade Union Representative or a work colleague.

8. REDEPLOYMENT

- 8.1 Culture NL Ltd will make all reasonable efforts to redeploy employees who are surplus or selected for redundancy to suitable alternative employment by applying the terms of the Redeployment Procedure.
- 8.2 Where a disagreement arises on 'suitable alternative employment' that cannot be resolved locally, the final decision will rest with the Chief Executive.
- 8.3 An employee who accepts the offer of suitable alternative employment to a lower graded post will be placed on the lower grade at the maximum spinal column point, and have his/her existing earnings preserved on a cash conserved basis for a period of 18 months. Thereafter, the employee will receive the rate of pay for the alternative job.

9. VOLUNTEERS FOR REDUNDANCY

- 9.1 Culture NL Ltd will consider volunteers for redundancy from within an affected area where that would achieve the required reduction(s) and redeployment or other measures will not resolve the situation.
- 9.2 Culture NL Ltd may also consider volunteers for redundancy who are doing similar roles in other unaffected parts of Culture NL Ltd, where this would allow an otherwise redundant employee to move into the post. This is known as a "bumped redundancy". The functions, duties and grade of the posts must be broadly similar, the arrangement must be agreed by both sides and it must result in a net reduction of one post.

- 9.3 A volunteer for redundancy who is supported by the Service and Chief Executive will be eligible for redundancy terms as set out in Section 11.
- 9.4 The actual payment level will be subject to the case satisfying Culture NL Ltd's costs/savings test. Payment may be reduced only where that is necessary to provide the required financial benefit (See Appendix C Section 5 for further information). However, payments will not be reduced below the minimum statutory redundancy level.
- 9.5 Support for volunteers is entirely discretionary and Culture NL Ltd reserves the right to:-
- a) retain employees whose specialist knowledge, qualifications and experience are needed to meet business needs and maintain organisational balance;
 - b) not support a volunteer on the basis of cost and affordability; and
 - c) to decide between competing cases with due regard to Culture NL Ltd's interests, cost and affordability.
- 9.6 Where a decision is taken not to support a volunteer for redundancy, the Chief Executive will notify the employee of the decision in writing.

10. EMPLOYEE NOTICE OF TERMINATION

- 10.1 Once redeployment and other measures have been explored and a decision is taken to proceed with redundancy for an employee, the nominated officer with authority to dismiss will write to the employee (with support from Human Resources) to:-
- a) set out notice of termination;
 - b) provide an estimate of the redundancy payment and an estimate of pension benefit from the relevant Pension Fund (where applicable); and
 - c) confirm the right to paid time off to look for work or to arrange training.
- 10.2 The period of notice will be in line with the contract of employment or statutory notice, whichever is greater. Employees will normally be required to work their notice period. However, Culture NL Ltd reserves the right to make a payment in lieu of some or all of the notice period.
- 10.3 Culture NL Ltd may sympathetically consider a request from a redundant employee who wishes to leave before the expiry of the notice period. Entitlement to redundancy pay will be recalculated accordingly.

- 10.4 The search for suitable alternative employment will continue while some or all of the notice period is worked and the terms of the **Redeployment Procedure** will apply.

11. REDUNDANCY PAYMENT ARRANGEMENTS

- 11.1 The payments to apply where employment is ended by reason of redundancy are set out in [Appendix C](#).

12. GENERAL

- 12.1 An employee dismissed for redundancy will not have to repay the equivalent of 6 weeks maternity/adoption pay if dismissal occurs during maternity/adoption leave or before the end of the 3 months following a return to work.

- 12.2 Culture NL Ltd may withdraw a redundancy payment if an employee-:

- unreasonably refuses an offer of suitable alternative employment;
- ends employment before the notice period has expired, without agreement;
- is dismissed for reasons of misconduct.

- 12.3 Culture NL Ltd may also withdraw a redundancy payment if an employee accepts an offer of another job from Culture NL Ltd (or another body specified in the Modification Order) before their current employment ends and the alternative job is to start within 4 weeks of dismissal. Employees will be required to give written confirmation that an alternative job has not been offered and accepted.

- 12.4 Culture NL Ltd will not automatically exclude or refuse to accept an application for a vacancy from a former employee who has received a redundancy payment. However, to decide if it is appropriate to re-employ or engage the former employee on a consultancy basis, the recruiting Service will consider the -:

- time period since redundancy, particularly the 4-week period following termination;
- similarity of duties, work location, terms and conditions to the post previously held;
- any other recruitment issues.

- 12.5 If a former employee is re-employed, and is in receipt of a pension from the Local Government Pension Scheme, he/she must notify the Payments Team within Strathclyde Pension Fund Organisation immediately if returning to employment within local government or any

organisation that operates the same pension scheme. The pension may be reduced or suspended if the employee's new pay plus their pension is more than their pay at retirement.

13. SUPPORT

13.1 Culture NL Ltd will seek to provide support to employees at risk of redundancy including :-

- communications on the changes for those likely to be affected;
- help to complete application forms, interview skills, retraining etc;
- access to Culture NL Ltd's confidential counselling telephone helpline;
- additional outside placement support as available and appropriate.

13.2 Reasonable time off with pay will be granted to employees who are under notice of redundancy so that they can look for employment or training opportunities outside Culture NL Ltd.

14. RAISING A CONCERN/APPEAL

14.1 An employee who wishes to raise a concern on the application of the Redundancy Procedure should talk it over informally with their line manager or another manager as early as possible to see if a solution can be found.

14.2 An employee has the right to appeal against a decision to dismiss for redundancy to the CultureNL Board, within 14 calendar days of receipt of notification.

15. REVIEW

15.1 The Policy will be reviewed, as required, by the Chief Executive and in consultation with the recognised Trade Unions.

KEY STAKEHOLDER RESPONSIBILITIES

The **Chief Executive** (or a nominated person) will initiate information and consultation obligations at an early stage; actively pursue alternatives across Culture NL Ltd that could avoid or minimise the need for redundancies and consider the scope for volunteers or “bumped redundancies”.

Service Managers and **Line Managers** will apply the Redundancy policy fairly and consistently within reasonable timescales, provide support to employees and ensure that records of meetings are properly maintained.

The **Trade Unions** have a responsibility to participate in consultation meetings to ensure that opportunities to avoid or minimise redundancy are identified and explored and also to be available to provide support to their members throughout the stages of the redundancy process.

Employees have a responsibility to co-operate with the redundancy process by actively searching for jobs, giving serious consideration to alternatives that are identified and being willing to take part in training intended to improve the possibility of securing job opportunities.

Human Resources will be closely involved in any redundancy exercise and be available to provide advice on Culture NL Ltd’s legal obligations; to give support to Managers and staff throughout the redundancy process and to ensure that the necessary paperwork is prepared and issued to staff timeously.



PROCESS FOR SELECTION OF SURPLUS EMPLOYEES

(covering all employees)

CONTENTS

Section

- 1 [INTRODUCTION](#)
- 2 [CONSULTATION WITH THE TRADE UNIONS](#)
- 3 [AUTOMATIC SELECTION](#)
- 4 [IDENTIFYING THE "POOL" FOR SELECTION](#)
- 5 [SELECTION CRITERIA](#)
- 6 [USING THE SELECTION CRITERIA MATRIX](#)
- 7 [NOTIFICATION OF SELECTION OUTCOME](#)
- 8 [RAISING A CONCERN/APPEAL](#)
- 9 [GENERAL](#)

APPENDICES

- Bi) [Surplus/Redundancy Selection Assessment Form](#)

PROCESS FOR SELECTION OF SURPLUS EMPLOYEES

(covering all employees)

1. INTRODUCTION

- 1.1 Culture NL Ltd will, as far as is reasonably practicable, make efforts to avoid the need for compulsory redundancy by exploring redeployment and other measures.
- 1.2 Where it is necessary to select employees for redundancy then the terms of this process will apply.
- 1.3 Culture NL Ltd will seek to apply the selection process in a way that is non-discriminatory and complies with legal obligations.
- 1.4 Where an employee is subject to the Equality Acts 2010, CultureNL will ensure that s/he is not put at a disadvantage from the application of the selection criteria and consider any appropriate reasonable adjustments that can be made to the process.

2. CONSULTATION WITH THE TRADE UNIONS

- 2.1 The Chief Executive or nominated person will consult with the Trade Unions and staff at the earliest opportunity on the 'pool(s)' and criteria for selecting employees for redundancy.

3. AUTOMATIC SELECTION

- 3.1 This can occur where:-
 - a) employees are already in a supernumerary position and at risk of redundancy;
 - b) automatically identified as surplus because they are in a unique post or employed at a particular centre/location which is to close; or
 - c) selected from a "pool" using selection criteria.
- 3.2 There may be no need to apply the selection criteria in these circumstances. However, the Chief Executive or nominated person should still consider if there are people undertaking similar work elsewhere and whether selection from an extended "pool" would be more appropriate.

4. IDENTIFYING THE “POOL” FOR SELECTION

- 4.1 In the first instance, the Service Manager must identify the work area(s), job types and numbers required to achieve the reduction(s).
- 4.2 The Service Manager must then decide the group of employees to draw those to be made surplus/redundant from. This is the ‘pool for selection’. The following factors should be considered when determining the ‘pool’:-
- a) the employees’ contractual job descriptions;
 - b) the extent to which employees’ jobs are interchangeable;
 - c) whether other employees are engaged on like work in other parts of Culture NL Ltd;
- 4.3 Where there is any doubt regarding the identification of the “pool” for selection, advice should be obtained from Human Resources.

5. SELECTION CRITERIA

- 5.1 Culture NL Ltd will apply selection criteria to ensure service needs are met and a balance of skills, experience and knowledge is maintained. The core selection criteria that will be applied include knowledge and skills, work performance, disciplinary and attendance records.
- 5.2 The relevant Service(s) will consult with the Trade Unions on the selection criteria to be used.

6. USING THE REDUNDANCY SELECTION MATRIX

- 6.1 Each employee in the “pool” will be subject to an assessment using the redundancy selection matrix, including those absent from work for example due to sickness, maternity/adoption/parental leave etc.
- 6.2 Before the assessment process, all affected employees will be given access to this document and given information on the “pools” for selection, the selection criteria that will apply and the timescales for completion.
- 6.3 Each “pool” employee must be assessed on an individual basis by a team of two: a Service Manager (or a nominated officer); along with an appropriate line manager with detailed knowledge of the “pool”. The employee will not be present at the assessment and there will be no reference to other staff in the “pool”.
- 6.4 **Disciplinary Record** - only **live** disciplinary records should be taken into account.

- 6.5 **Attendance Record** - absence directly related to a disability (as defined by the Equality Act 2010), industrial injury or absence for pregnancy-related illness, maternity or other family-friendly leave will be **excluded** when calculating absence. Care should be taken to explore the reasons for and the extent of absences to ensure an employee is not unfairly penalised, for example where an employee with an otherwise good attendance record has been affected by a one-off illness.
- 6.6 A Redundancy Selection Matrix (Appendix B(i)) must be fully completed for each employee using a common current date. The assessment must be done consistently in a reasonable, fair and objective way. Decisions must be supported by relevant evidence or data.
- 6.7 The completed form must be signed and dated by the assessment officers. A member of HR will audit the assessments to ensure that they are consistently applied and may ask the team to revisit any part of the assessment.
- 6.8 When the management assessment is completed, the sum of all the factors will give a TOTAL SCORE. The ratings for the “pool” will be collated to give an overall rank order. The employee(s) with the **lowest rating** will be selected as surplus or redundant.
- 6.9 Where it is necessary to separate employees in the pool with the same total rating, the employee(s) with the **shortest continuous local government service** in the assessment will be selected as surplus or redundant.

7. NOTIFICATION OF SELECTION OUTCOME

- 7.1 All employees in the “pool” will be notified of the outcome of the selection process.
- 7.2 An employee selected for redundancy will be informed in writing of the outcome and given a copy of their assessment ratings. At that time the employee will be invited to a meeting to discuss their selection.

8. RAISING A CONCERN/APPEAL

- 8.1 An employee who wishes to raise a concern on the application of the process or the decision made should talk it over informally with their line manager or another manager as early as possible to see if a solution can be found.
- 8.2 The employee can raise their concern formally through Culture NL Ltd's Grievance Procedure.
- 8.3 An employee has the right to appeal against a decision to dismiss for redundancy to the Board of Culture NL Ltd, within 14 calendar days of receipt of notification.

9. GENERAL

9.1 All information produced as a result of the selection process should be handled in a confidential manner and retained after use for an appropriate period on the employee's personal file.

9.2 The Policy will be reviewed, as required, by the Chief Executive and in consultation with the recognised Trade Unions.



Redundancy Selection Matrix – Template
Employee name:
Post title:

FACTOR	POINTS (out of 10)	WEIGHT (x 3)	WEIGHTED SCORE (points x weighting)	COMMENTS
Job Factor (10) (possess = 2/not possess = 0)				
Skill A (2/0)				
Skill B (2/0)				
Qualification A (2/0)				
Knowledge of process A (2/0)				
Knowledge of process B (2/0)				
Performance Factor (10)				
Core Skills (between 6 and 18 contained within PRD Scheme)				
Needs Development (0)				
Development ongoing (3)				
Competent (7)				
Highly Competent (10)				
Sub Total (a)				
Conduct Factor (8)	Points (out of 8)	Weight (x2)	Weighted Score (points x weighting)	Comments
No 'live' discipline record				

(0)				
'Live' Verbal Warning (4)				
'Live' Written Warning (6)				
'Live'Final Warning/Punitive Action (8)				
Sickness Absence Factor (8)	Points (out of 8)	Weight (x2)	Weighted Score (points x weighting)	
<p>Based on average sickness absence level per FTE in 'selection pool' over three year period.</p> <p>e.g. 3000 FTE days/3/Number of FTEs= average days per year for the 'selection pool'.</p> <p>Each employee's average absence (based on FTE equivalent) divided by actual service with the Council (up to a maximum of three years.)</p>				
Sickness Absence Factor (8) Cont.	Points (out of 8)	Weight (x2)	Weighted Score (points x weighting)	
<p>Sickness Absence Level less than average (0)</p> <p>Sickness Absence Level equals average (4)</p> <p>Sickness Absence Level greater than average (8)</p>				

Sub Total (b)				
Total (a- b)				
Service Factor (10) (to be used where scores are equal, as a determinative factor)	Points (out of 10)	Weight (x 1)		
Less than 2 years (0)				
2-3 years (4)				
3-4 years (6)				
4-5 years (8)				
5+ years (10)				
Sub Total (c)				
TOTAL SCORE (a- b) + c				

Redundancy Selection Matrix Summary Sheet – Template
Selection Pool:

		Weighted Scores						
Criteria		(a)	(a)	(b)	(b)	(a-b)	(c)	(a-b)+c
Name	Post title	Job Factor	Performance Factor	Conduct Factor	Sickness Absence Factor	Total Weighted Score	Service Factor (where applicable)	Total Weighted Score
Employee A								
Employee B								
Employee C								



REDUNDANCY TERMS

[Return to contents](#)

1. Introduction

- 1.1 This Procedure takes account of relevant legislation and will apply to eligible employees who are dismissed by reason of redundancy.
- 1.2 Generally, it will be for a Service Manager to invite employees to submit applications under the Procedure. The approval of an application and the compensation to apply will be entirely at Culture NL Ltd's discretion and will have regard to the Cost / Savings test. Volunteers for redundancy do not have a right to have an application approved.

2. Statutory Redundancy Payment

- 2.1 An employee who is redundant and has at least 2 years' continuous local government service will be eligible for a statutory redundancy payment.
- 2.2 An employee with less than two years' service is not entitled to a redundancy payment.
- 2.3 The statutory redundancy payment is calculated on the basis of age and completed years of service (up to a maximum of 20 years counts)-:
- ½ week's pay for each year of service where age less than 22
 - 1 week's pay for each year of service where age between 22 but under 41
 - 1½ week's pay for each year of service where age is 41+
- 2.4 There is a quick reference table attached as Appendix D to work out payments, along with a sample calculation.

3. Improvement to the Statutory Redundancy Payment

- 3.1 Culture NL Ltd will improve the statutory redundancy payment in section 2 above by-:
- a) using the employee's actual week's pay rather than the statutory upper earnings limit; and
 - b) multiplying the statutory redundancy amount by a factor of 2.2.
- 3.2 When the improvement is applied, the minimum payment available is 2 weeks' pay and the maximum is 66 weeks' pay. This payment **includes** the statutory redundancy payment in section 2.

- 3.3 Each case (voluntary and compulsory redundancy) will be subject to a financial assessment detailed in section 5 below. **Payments / benefits may be reduced only in order to meet the cost/ savings test.**

4. Employees with access to Pension

- 4.1 An employee who receives an improved redundancy payment and is aged 55 or over ¹ may be eligible for the immediate release of pension benefits if the criteria of the relevant Local Government Pension Scheme (LGPS) are met. This means pension benefits already earned in the Scheme are released with no actuarial reduction providing an employee qualifies.

Alternative award of added years

- 4.2 Instead of an improved redundancy payment, a pension scheme member with more than 5 years scheme membership may apply to receive added years compensation, that is:-
- a statutory redundancy payment (as in 2.2 above)
 - the immediate release of unreduced pension enhanced by the award of up to a maximum of 6 2/3 added years.
- 4.3 An employee may opt for either an improved redundancy payment or the award of added years, not both (i.e. the options are mutually exclusive). The extent to which either option can be made available will be determined by Culture NL Ltd on the basis of cost and affordability.
- 4.4 Where a pension scheme member is eligible for added years, the level to be awarded in each case will not exceed the shortest of the following periods:-
- a) the additional period for potential relevant pension scheme service from the date of termination to age 65;
 - c) the additional period necessary to increase relevant pension scheme service to 40 years;
 - d) 6 2/3 years.

The award of added years may be reduced in order to meet the Cost Savings Test (See Section 5 below).

Note: Employees will not receive benefits (e.g. added years; redundancy payment or an improved redundancy payment) for any period of service for which they have previously received enhanced benefits. This means that periods of service will not be reckoned more than once.

¹ Some active LGPS members who were members of the 1998 Scheme on 5 April 2006 have protected access to benefits from age 50.

5. FINANCIAL ASSESSMENT

- 5.1 Redundancy compensation is a direct cost to Culture NL Ltd. In some cases there may also be an immediate strain cost² and additional costs associated with added years cost – these are the amount Culture NL Ltd must pay to the Pension Fund to compensate for the early payment of benefits.
- 5.2 The total cost must be recovered from savings within 18 months (the “Cost/ Savings Test”). The financial assessment will be carried out for each case to-:
- identify the actual costs (including “strain” cost / cost of added years)
 - determine if these costs are affordable and can be met
 - identify proposed savings over a maximum period of up to 18 months
 - assess if the cost/ savings test can be achieved.
- 5.3 The Service may propose a reduced redundancy payment or a reduction in added years only where necessary to ensure the cost/savings test is met. Reduced payments may not go below the minimum statutory redundancy level using an actual week’s pay and in some cases this may mean that no financial benefit is provided to Culture NL Ltd when a redundancy occurs.
- 5.4 Where a case incurs a “strain” or mandatory compensation cost, the financial assessment will be subject to approval by the Finance Manager.
- 5.5 Culture NL Ltd may approve, in exceptional circumstances, the inclusion of “other securable savings” as part of the above financial assessment for a case. Such a proposal by the Service Manager will require to be submitted to the Chief Executive and Finance Manager for consideration. The Service Manager will detail the exceptional circumstances of the case for special consideration and identify the source(s) of the proposed “other securable savings”.

6. Consideration and Approval

- 6.1 Human Resources (HR) will provide an estimate of the payment and obtain an estimate of pension benefits and costs from the relevant Pension Scheme (if appropriate) for the employee .
- 6.2 The Service will consider if the financial assessment is satisfactory or if the payments require to be reduced, in conjunction with the Finance Manager as appropriate.

² When a pension scheme member is allowed to retire early on redundancy grounds, employee and employer pension contributions stop and benefits become payable earlier than assumed in the scheme design and will be paid for longer. To help meet the additional cost to the Fund, the employer must make additional payments called strain costs.

- 6.3 Where a Service has to decide between competing cases, due regard will be given to Culture NL Ltd's interests, cost and affordability.
 - 6.4 A case will only proceed for final consideration where the Service Manager has given their support in principle and the financial assessment provides a satisfactory outcome.
 - 6.5 All approved cases will be reported to Culture NL Ltd Management Team and included in an annual report to the Board.
 - 6.7 Where a case is approved, the Service Manager will arrange for the employee to be notified in writing of the decision, the compensation payable and how it has been calculated. HR will then initiate the termination arrangements.
 - 6.8 Where a decision is taken not to proceed with a redundancy dismissal, the line manager will advise the employee of the decision and the reasons in writing.
-

STATUTORY REDUNDANCY PAYMENTS READY RECKONER

Calculate the number of weeks redundancy pay by cross-referencing the employee's age and completed years of continuous service^[3]. Multiply that number by the employee's actual week's pay^[4]. Culture NL Ltd may improve the redundancy payment by multiplying the statutory payment by 2.2. For example a person aged 22 with 4 years service and pay of £400 a week will be entitled to 2 weeks statutory pay (£400 x 2 = £800), the improved amount is £1,760 (£800 x 2.2).

Completed Years of Service ¹		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Age																				
17 ^{*[5]}		1																		
18		1	1½																	
19		1	1½	2																
20		1	1½	2	2½															
21		1	1½	2	2½	3														
22		1	1½	2	2½	3	3½													
23		1½	2	2½	3	3½	4	4½												
24		2	2½	3	3½	4	4½	5	5½											
25		2	3	3½	4	4½	5	5½	6	6½										
26		2	3	4	4½	5	5½	6	6½	7	7½									
27		2	3	4	5	5½	6	6½	7	7½	8	8½								
28		2	3	4	5	6	6½	7	7½	8	8½	9	9½							
29		2	3	4	5	6	7	7½	8	8½	9	9½	10	10½						
30		2	3	4	5	6	7	8	8½	9	9½	10	10½	11	11½					
31		2	3	4	5	6	7	8	9	9½	10	10½	11	11½	12	12½				
32		2	3	4	5	6	7	8	9	10	10½	11	11½	12	12½	13	13½			
33		2	3	4	5	6	7	8	9	10	11	11½	12	12½	13	13½	14	14½		
34		2	3	4	5	6	7	8	9	10	11	12	12½	13	13½	14	14½	15	15½	
35		2	3	4	5	6	7	8	9	10	11	12	13	13½	14	14½	15	15½	16	16½
36		2	3	4	5	6	7	8	9	10	11	12	13	14	14½	15	15½	16	16½	17
37		2	3	4	5	6	7	8	9	10	11	12	13	14	15	15½	16	16½	17	17½
38		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	16½	17	17½	18
39		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	17½	18	18½
40		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	18½	19
41		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	19½
42		2½	3½	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½
43		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
44		3	4½	5½	6½	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½
45		3	4½	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
46		3	4½	6	7½	8½	9½	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½
47		3	4½	6	7½	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
48		3	4½	6	7½	9	10½	11½	12½	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½
49		3	4½	6	7½	9	10½	12	13	14	15	16	17	18	19	20	21	22	23	24
50		3	4½	6	7½	9	10½	12	13½	14½	15½	16½	17½	18½	19½	20½	21½	22½	23½	24½
51		3	4½	6	7½	9	10½	12	13½	15	16	17	18	19	20	21	22	23	24	25
52		3	4½	6	7½	9	10½	12	13½	15	16½	17½	18½	19½	20½	21½	22½	23½	24½	25½
53		3	4½	6	7½	9	10½	12	13½	15	16½	18	19	20	21	22	23	24	25	26
54		3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	20½	21½	22½	23½	24½	25½	26½
55		3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22	23	24	25	26	27
56		3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	23½	24½	25½	26½	27½
57		3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25	26	27	28
58		3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	26½	27½	28½
59		3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28	29
60		3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	29½
61 ^{*[5]}		3	4½	6	7½	9	10½	12	13½	15	16½	18	19½	21	22½	24	25½	27	28½	30

^[3] Continuous local government service is service with Culture NL Ltd or a body specified in the Redundancy Payments Modification Order, up to a maximum of 20 years service only can count.

^[4] A week's pay is generally calculated by reference to the employee's actual basic pay plus any contractual allowances at the date of termination, that is we generally waive the statutory upper earnings limit.

^[5] The table starts at age 17, as it is possible for a 17 year old to have 2 years' service based on the compulsory school leaving age.

WORKED EXAMPLE OF IMPROVED REDUNDANCY PAYMENT

An employee aged 22 with 4 years service, pay of £400 a week.

1. The **statutory redundancy payment** – calculate by cross-referencing age and completed years of continuous local government service (using the ready reckoner above), then multiply that number by an actual week's pay:

- Age of 22, 4 years' service = 2 weeks pay
- 2 weeks x £400 (a week's pay) = **£800**

2. Improve the redundancy payment - multiply the statutory redundancy payment by **2.2**:

- 2 week Statutory Redundancy Payment multiplied by 2.2 = £800 x 2.2
- **TOTAL IMPROVED REDUNDANCY PAYMENT = £1,760**

^[6] The same figures should be used when calculating the redundancy payment for a person aged 61 and above.