

## **EMPLOYMENT STABILITY POLICY**

### **1. INTRODUCTION**

- 1.1 Local Government is a labour intensive industry whose major resource is its people. Tonbridge and Malling Borough Council is a large organisation with a wide range of functions which may be increased, decreased or changed from time to time. Change has become a regular feature of everyday life in local government. It is inevitable therefore that from time to time the Council will need to reorganise its services to meet different demands and circumstances, and that this will affect the Council's employee requirements.
- 1.2 It is the Council's policy to deploy its workforce in order to achieve maximum effectiveness through flexibility and to maintain and protect continuity of employment. Employees may therefore at some time be requested to carry out various appropriate duties within the general scope of their appointment. They may also be requested to work at different locations within the Council's area, in which case expenses will be reimbursed as prescribed by the National Scheme of Conditions of Service and/or as determined by local agreement. The purport of this paragraph shall not constitute a requirement on employees to work in circumstances which may be considered by them to be unreasonable, and does not therefore preclude the right of an aggrieved employee to pursue a grievance in the agreed manner.
- 1.3 Where there is a need for reductions in the number of people employed or reorganisations in the way that employees are organised, the Council will take the steps set out in this policy to avoid compulsory redundancies. High priority will be given to maintaining the employment security of permanent employees wherever possible.

### **2. SCOPE OF APPLICATION**

- 2.1 This policy applies to permanent employees of the Council whose current jobs may be at risk for reasons such as those given above, so that as far as possible the individuals' employment and conditions of service may be protected.
- 2.2 The policy cannot be used for other purposes, e.g. to protect future promotion prospects, to prevent necessary changes in working practices or service organisations, or in disciplinary cases.
- 2.3 Temporary employees, by the very nature of their employment terms, are not covered by the policy (though this does not preclude reasonable attempts to maintain their employment from being made, or affect their statutory employment rights).

### **3. NOTIFICATION AND CONSULTATION**

- 3.1 Where a decision is contemplated which is likely to result in job losses the Council will notify the appropriate trade union(s) in writing at the earliest practical date before the proposed implementation date. In no case will consultation over situations with the potential for redundancies commence later than 30 days before the redundancies may take effect, or 90 days in the unlikely event of 100 or more employees being potentially redundant.

- 3.2 Before final decisions are taken by the Council, there will be full consultation with the individual affected employees and with appropriate trade unions recognised by the Council.
- 3.3 In this consultation, the Council will set out its proposals for dealing with the human resource implications of the proposed changes including the steps it proposes to take to preserve continuity of employment for permanent employees.
- 3.4 Local Branch Officers of trade unions and/or District Officers will be entitled to address the appropriate Committee, Sub-Committee or Group of Members of the Council in order to present their views on the proposed changes if they wish. Any such presentations will be made in private.
- 3.5 Any employee to whom this policy applies has the right to consult his or her trade union or other representative during working hours and to have a representative present during discussions, consultations and negotiations covered by this policy except interviews for jobs.

#### **4. MEASURES TO PROTECT CONTINUITY OF EMPLOYMENT AND REDEPLOY DISPLACED EMPLOYEES**

- 4.1 Every effort will be made to redeploy employees to another work area with due regard to their skills and capabilities and any training needs which may arise.
- 4.2 The following outlines the steps to be taken (not necessarily in this order).
  - 4.2.1 Where there are other employees whose retirement could provide employment opportunities to displaced employees:
    - those reaching, or above, normal retirement age will be retired without extensions of service;
    - subject to financial justification those who would be willing to take early retirement on agreed terms will be given offers of voluntary early retirement under the superannuation regulations.
  - 4.2.2 Where the cost is not prohibitive and existing Contracts so allow, consultancy, contracting and agency services in the service affected or in other services may be reduced, suspended or abolished, where this would create employment opportunities for displaced employees.
  - 4.2.3 Overtime and the use of temporary employees will be reviewed in any area where this would provide employment opportunities for displaced employees.
  - 4.2.4 Vacancies arising in the course of natural turnover and wastage will be notified to displaced employees, and prior to posts being advertised:
    - they will be given an opportunity to discuss the job in question and to express their view as to whether they wish to be considered;
    - they will be given an interview, tests and other selection procedures as appropriate, for the post in question;

the vacancy will be offered to a displaced employee, unless there are good and acceptable reasons why he or she is not suitable for it.

- 4.2.5 Displaced employees will be expected to co-operate in accepting suitable alternative employment and in appropriate cases offers of redeployment will be subject to a trial period on both sides. In normal circumstances this will be up to three months. If the trial period does not result in confirmation in the post, the situation will be reviewed in the light of the employee's wishes and the availability of other alternative posts.
- 4.2.6 Where an employee cannot be immediately redeployed, but it is foreseen that future opportunities will arise, he/she will be retained on a supernumerary basis, seconded elsewhere, and/or retrained as appropriate subject to a review after three months.
- 4.2.7 During the period in which redeployment is being pursued, training in terms of the skill requirements of any specific new job, or in terms of enhancing the displaced employee's employment prospects with the Council or any other employer will be offered so far as is practical and reasonable. This includes "outplacement" training and assistance. In the event that the displaced employee is not offered a permanent post within the Council's service, training expenses will not be recoverable if the employee obtains a post with any other employer.
- 4.2.8 In the event that a post from which an employee has been redeployed is again required to be filled, it will be offered to the redeployed employee.

## **5. OFFERS OF REDEPLOYMENT**

- 5.1 Offers of redeployment will be made in writing and will include:

the type of work to be undertaken and the training to be given where appropriate;

the location of the new job;

the rates of pay applicable to the appointment and any other terms and conditions which may be different from those applying to the previous employment;

if appropriate, provision of trial period on both sides;

any other relevant factors within the scope of this policy.

## **6. TERMS FOR EARLY RETIREMENT OR REDUNDANCY**

- 6.1 The provisions set out in the remainder of Section 6 form the Council's Policy on Compensation for the purposes of the Local Government (Early Termination of Employment)(Discretionary Compensation)(England and Wales) Regulations 2006 and the Local Government Pension Scheme Regulations 1997.

## 6.2 Subject to:

- (i) there being no redeployment opportunities which the employee could be reasonably required to take up;
- (ii) the employee agreeing that his / her termination settlement is in full and final settlement of any potential claims against the Council in respect of the termination;
- (iii) the termination rendering sufficient revenue savings that, using the Council's approved formula, its capital cost has been restored, at the latest, during the year in which the employee's sixty fifth birthday falls; and
- (iv) the Management Team and consultee members / member bodies agreeing that the proposed staff structure and termination settlement are reasonable in all the circumstances of the case and particularly service provision and the employee's individual circumstances, including loss of income, as a result of termination;

the Council will pay redundancy and pension benefits to the employee up to the maximum level allowed by the regulations in force at the date of the termination, currently the regulations specified in 6.1 above, subject:

- (i) to no more than 6 2/3 years augmentation being awarded to employees qualifying for this form of augmentation; and
- (ii) to no augmented service being awarded that would have the effect of the employee's pensionable service being more than they would have received had they continued to work to normal retirement age.

6.3 Should any of the conditions set out above not be satisfied, and there being no exceptional circumstances warranting a departure from these conditions, a settlement will be determined by the Council, in consultation with the employee and his/her representative.

6.4 Paragraphs 6.1 and 6.2 apply to any employees who are dismissed / retired by reason of redundancy or in the interest of the efficiency of the Service.

## **7. TERMS AND CONDITIONS FOR EMPLOYEES WHO ARE REDEPLOYED**

7.1 The terms and conditions for employees who are redeployed are offered on the clear understanding that the employee and the Borough Council will at all times use their best endeavours to secure at the earliest possible date, the transfer of the employee to a post where the remuneration matches, or more nearly matches, the preserved remuneration.

### **7.2 Preservation of wage or salary**

7.2.1 The purpose of preservation is to enable employees who are redeployed to adjust to a lower level of remuneration.

7.2.2 Subject to paragraph 7.2.4 below, if the wage or salary grade in the discontinued job exceeds that in the new job, the Council will, in normal circumstances preserve on a personal basis:

- (i) for a period of two years, the wage or salary grade and contractual benefits and payments applying immediately prior to replacement.
- (ii) for a further period of one year, the level of the protection at the expiry of (i).

After the period of three years referred to in (i) and (ii) above, all protection will cease and the employee will be remunerated according to the actual grading of the current job.

7.2.3 There may in individual cases be abnormal circumstances, in particular:

- (i) those where an employee had the opportunity to pursue or accept a similar or higher paid job to that which he/she originally held.
- (ii) those, probably at a high level within the organisation, where protection as outlined at 7.2.2 (i) and (ii) would negate or significantly hinder the operation of the new organisation.

In such exceptional cases the question of protection of existing terms and conditions will be a matter for consultation and negotiation with both the employee and the appropriate trade union.

7.2.4 The total cost of salary protection must be reasonable in relation to the cost of other possible options to deal with situations of redundancy. Therefore that total cost must not exceed the sum of the termination payment that would otherwise have been made, savings from the recruitment process, savings from reduced induction and training needs and any other financial factors that are relevant to the case. Where the cost of the level of protection that would be afforded under paragraph 7.2.2 exceeds the figure calculated under this paragraph, the level of protection will be reduced to bring it into line with the latter figure. The means of implementing the reduction will be agreed with the employee e.g. a lower level of protection or protection for a reduced period. Where the Central Services Director and the employee's "new" Chief Officer consider that there are exceptional circumstances warranting a higher level of protection than that provided by the terms of this paragraph, they may vary the level up to the level set out in paragraph 7.2.2, in consultation with the Chairman of the General Purposes Committee and the Cabinet Member for Resources and Capital Projects.

### 7.3 **Ancillary payments**

For the purposes of redeployment, non contractual payments such as overtime earnings, are deemed not to be part of the specific salary or wage of any employee. According to the circumstances, therefore, following consultation, these may be ceased or reduced forthwith, or over or after a specified period.

## **8. OPERATING THE POLICY**

- 8.1 Termination settlements and salary protection agreements are subject to the approval of the Central Services Director and Chief Officer concerned, in consultation with the Management Team. Where the costs of a termination settlement have not previously been reported to the General Purposes Committee as part of the report proposing the reorganisation leading to the termination, those costs must also be agreed with the Chairman of General Purposes Committee and the Cabinet Member for Resources and Capital Projects.
- 8.2 The Central Services Director will either personally or through a senior member of his/her staff:
  - 8.2.1 Advise and assist the displaced employee in finding other suitable employment;
  - 8.2.2 Consult and liaise with Chief Officers or appropriate senior members of their staff,
  - 8.2.3 Keep the employee informed of developments and deal with problems.
  - 8.2.4 Maintain close consultation with the employee and his/her union and ensure that the situation is jointly reviewed on a regular basis.
- 8.3 If any affected employee believes this policy is not being complied with, or is being misinterpreted, or otherwise misapplied, every effort will be made to resolve the matter through the appropriate procedure, normally the Authority's Grievance Procedure.
- 8.4 The effectiveness of the Policy will be kept under review and it will be revised from time to time should changing circumstances so dictate.

July 1997

Amended July 2006, August 2006, and March 2009