

Security of Employment in National Savings and Investments

(Redundancy)

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SECURITY OF EMPLOYMENT IN NATIONAL SAVINGS AND INVESTMENTS (REDUNDANCY)

1. PURPOSE

To ensure fair and equitable practice in situations where it is necessary to discontinue jobs or where there may be a need to reduce staff levels in certain areas of the business through technological or organisational change, or through market or economic pressures or Government policy

2. SCOPE

All established employees.

3. POLICY STATEMENT

National Savings and Investments (NS&I) recognises that security of employment is a factor of major importance to employees and therefore every effort is made to avoid termination of employment due to redundancy and to provide continuity of employment, wherever practicable. It is not possible however to give a guarantee of security of employment as no organisation can ever be wholly confident that circumstances will not occur in which its numbers or type of employees exceeds its need or ability to employ them.

4. This policy which has been agreed with the Public and Commercial Services Union (PCS), sets out the procedures to be used when employment is not secure ie when redundancies occur. Redundancy, as defined in the Employment Rights Act 1996, arises if

- i. the employer has ceased or intends to cease to carry on the business for the purpose of which the employee was employed;
- ii. the employer has ceased or intends to cease to carry on the business in the place where the employee was so employed;
- iii. the requirements of the business for employees to carry out work of a particular kind have ceased or diminished or are expected to cease or diminish;
- iv. the requirement of the business for employees to carry out work of a particular kind, in the place where they were so employed, have ceased or diminished or are expected to cease or diminish.

However, there are a number of initiatives which can be introduced if appropriate to avoid compulsory redundancies.

5. PRE-REDUNDANCY

Where it becomes necessary to reduce staff numbers, whether for economic or other reasons, it is National Savings' policy to try to minimise the effect on those concerned. Before moving to a compulsory redundancy situation, careful consideration will be given to alternative employment possibilities (see paragraphs 5.1 and 5.2) or reducing staff numbers through the following as appropriate

- natural wastage;

- early retirement where applicable;
- a voluntary redundancy scheme (but NS&I reserves the right to refuse an application for voluntary redundancy);
- reduced usage of agency staff and temporary employees (unless they are necessary prior to a closure situation or for special projects where specific skills or continuity are required.).

5.1 Positive action will be taken to place employees in alternative positions in other parts of the organisation if appropriate through re-training and/or redeployment. HR will advise on the availability and suitability of any internal vacancies. Provided there is a reasonable match between the individual's skills and the advertised job specification, interviews for jobs will be guaranteed. Re-training or additional training will also be discussed and considered.

5.2 For potentially redundant employees who accept alternative employment within NS&I they will be allowed a minimum of a four week trial period which can be increased by agreement. If the appointment is confirmed, continuity of employment will be maintained. If an employee unreasonably refuses suitable alternative employment the right to a redundancy payment may be lost.

The following paragraphs relate to a Compulsory Redundancy situation. However all the principles reflected above in respect of pre-redundancy measures continue to apply.

6. CONSULTATION

6.1 In a situation where a Director or the Executive Committee identifies a need to reduce staff levels and foresees a potential redundancy situation, they must alert and discuss the circumstances with the Head of HR or a senior HR manager.

6.2 Detailed proposals in the form of a communication plan for staff and their representatives will be prepared explaining:

- the reason for the requirement to reduce staff numbers;
- what impact this reduction will have on the working procedures of other employees in NS&I and how the current work of the staff to be reduced will be covered;
- who might be affected: the number of employees of any such description employed at the location or within the management area concerned;
- what the unit of redundancy is ie the numbers and descriptions of employees whom it is proposed to reduce by and their location;
- the proposed method of selecting employees who are to be reduced;
- the time-scale over which the reduction in staff will take place;
- options and alternative employment opportunities available to avoid compulsory redundancies ie those at paragraph 5 above;

6.3 The communication plan and the proposal for potential redundancies will be prepared by HR in consultation with the Directorate(s) involved for approval by the Chief Executive.

6.4 Irrespective of the number of employees at risk of redundancy the following consultative procedure will be followed:

- The communication plan which is outlined at paragraph 6.2 above will be presented to

elected union representatives (PCS) and then staff as the first step of the consultation process.

- The consultation process will begin in good time and at least 30 days before the first dismissal takes effect.
- All employees who are at risk of redundancy will be seen by a manager in a face-to-face individual meeting
- In situations involving a group of employees the individual meetings will follow a general announcement to the affected group of employees
- Details of the consultation meeting will be confirmed in writing to the PCS and to the individuals concerned by a letter, issued by HR.

7. TIMETABLE

7.1 In fixing a timetable, and having due regard to any legislative requirements, NS&I will give the maximum possible notice to facilitate consultation. Staff will be entitled to the period of notice under their terms and conditions of employment when made compulsory redundant; for established staff this will normally be 6 months, but may be different for staff employed on different contracts. HR will advise on an individual basis.

8. SELECTION

8.1 Where a job ceases to exist, the job holder can be the redundant employee

8.2 Where a job or a number of jobs are redundant at the same time, the selection of employees for redundancy will take account of the following factors as appropriate (in no particular order):

- work performance
- length of service and costs involved
- possibilities for re-training
- willingness to relocate within NS&I
- existing skills or aptitudes in relation to future needs
- disciplinary and/or absence record
- qualifications
- potential for future development

8.3 The selection criteria adopted will:

- reflect the specific characteristics and business requirements of each redundancy situation and;
- be applied in a fair and objective manner to avoid direct or indirect discrimination.

8.4 The above list does not preclude the addition of other relevant criteria to reflect the specific characteristics and business requirements of each redundancy situation.

8.5 Employees selected for redundancy will have recourse to the Grievance Procedure if they feel that the selection has been unfair or discriminatory.

8.6 An employee selected for redundancy must have written confirmation of the notice of termination of employment and of the date their employment will end by a letter issued by HR.

9. SUPPORT FOR REDUNDANT EMPLOYEES

9.1 Employees under notice of redundancy will be allowed reasonable time off, subject to prior agreement by their manager, with pay to:

- i. look for work;
- ii. attend interviews;
- iii. arrange for re-training.

9.2 Where appropriate outplacement services/CV preparation/career counselling and training designed to help find alternative employment will be arranged by NS&I and will be offered to those employees who are being made redundant

10 REDUNDANCY PAYMENTS

10.1 HR will provide details of the redundancy/severance payment due to employees who have been given notice of redundancy or who are considering volunteering for redundancy where such a scheme is provided by NS&I. In the case of a voluntary redundancy situation, and where consideration is being given to offering other early retirement/severance terms the PCS will be consulted.

10.2 All other normal contractual payments which are taxable will be paid in the normal manner and included in final pay.

10.3 Any outstanding accrued holiday entitlement, will be paid and will be included in final pay.

11. RESPONSIBILITIES

11.1 All those persons referred to within the scope of this policy, including individuals carrying out management roles in these circumstances, are required to adhere to its terms and conditions. Their responsibilities as individuals or managers for the discharge of this policy are also incorporated in their contracts of employment.

11.2 Individual Directors are responsible for ensuring that this policy is applied within their own area. Any queries on the application or interpretation of this policy must be discussed with HR prior to any action being taken.

11.3 HR is responsible for ensuring the maintenance, regular review and updating of this policy. Revisions, amendments or alterations to the policy can only be implemented following consideration and approval by the Head of HR who will consult the Executive Committee as appropriate.

