Redundancy procedures

Procedure for considering the termination on grounds of redundancy of

- Permanent contracts
- Self-financing contracts
- Open-ended externally-funded contracts (for academic-related staff only)
- Fixed-term contracts (premature termination only)

This procedure applies to all academic, academic-related and support staff, who, by the date when their employment is terminated, will have been in continuous employment at the University for one or more years.

There is a separate procedure for the termination of fixed-term contracts at their scheduled end date.

In considering any redundancy, it is essential to follow the following procedure and to keep records of all associated actions, discussions and consultations. Template letters, which may also act as checklists to ensure that the correct steps have been taken, are available for use and are identified in this document as (Pro-forma letter).

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The six stages

The six stages to follow in redundancy cases are:

1. Making the business case
   1. establish the business case
   2. identify the potential redundancy pool
2. Seeking advice and specialist support
   1. notify Personnel Services
3. Warning and consultation
   1. warn staff at risk of redundancy
   2. consult the unions
4. Exploring alternatives to compulsory redundancy
   1. voluntary redundancy
   2. redeployment
5. Compulsory redundancy dismissal process
   1. authorisation procedure
   2. selection
   3. notice period
   4. redundancy payment
6. Appeal
Stage 1: making the business case

Stage 1a: Establish the business case

The department may only put staff at risk of redundancy where they have established clear business reasons for doing so.

This business case may emerge from internal planning which decides the size and most efficient use of staffing required to meet objectives or financial constraints. Or it may be a response to external factors, including, for example, the loss or reduction of external funding. The business case may take any format, provided it gives a clear, written rationale for why certain posts are no longer required.

Stage 1b: Identify the potential redundancy pool

The business case must identify the pool from which any eventual redundancies will be sought.

If, later in the process, compulsory redundancies prove to be unavoidable, the department will have to demonstrate that the pool from which those dismissed are selected had been properly and fairly identified. Selection from too narrow a pool may itself render a dismissal unfair. Judgement has to be objective.

The pool must reflect the specific circumstances of the case. For example:

- where the intention is to cease a particular activity altogether, identifying the pool is relatively straightforward. It may be clear that all employees who carry out that activity are likely to be at risk of redundancy. This may produce a large pool or, where the post under threat is highly specialised and only one employee is qualified to fill it, there may reasonably be a pool of only one.
- where the intention is to reduce an activity or to cease it in only one area, it may be appropriate to include not just the employees whose posts have been identified as being at risk, but also comparable employee(s) in other areas.
- where employees’ jobs are readily interchangeable, it is likely to be necessary to include all those employees in the pool.
- where employees on different types of contract are doing similar work, they may also need to be included in the pool.

Advice should be sought from your HR Business Partners.

Procedures governing how any eventual selection from the pool is made are given in stage 5.

Stage 2: Seeking advice and specialist support

Stage 2a: Notify Personnel Services

Where the business case demonstrates that it may be necessary to terminate contracts on grounds of redundancy, the department concerned must inform the HR Director Services, usually via the appropriate HR Business Partner.
Personnel Services will arrange for specialist personnel support to be provided to the department. Personnel Services’ advice should be taken at each subsequent stage of this procedure.

Personnel Services will also ensure that arrangements are made for staff representatives to be informed and consulted at an appropriate time.

Personnel Services will take an active role in supporting the department in its management of the subsequent stages of the redundancy procedure, including especially the steps necessary for the consideration of compulsory redundancy, should that prove unavoidable.

**Stage 3: Warning and consultation**

**Stage 3a: Warn staff**

Any employee who is at risk of dismissal on grounds of redundancy must, wherever practicable, be given advance warning that his or her contractual or statutory notice period will commence on a given date if compulsory redundancy cannot be avoided.

**Timing**

- advance warning will normally be given at least three months before the start of the notice period
- in some cases it may be possible and desirable to give more than three months' advance warning.
- in some cases it may not be operationally possible to provide a full three months’ warning. An example would be where external funding were to be suddenly withdrawn from a particular group or project. Any such cases must be fully discussed with Personnel Services before notifying staff or staff representatives.
- where possible and appropriate, consideration will be given to adjusting the timing of advance warning to align it to any recognised recruitment cycle for the type of employment in question.

**Content**

- advance warning should be given at a meeting ([Pro-forma letter A](#)) between the department and the employee and then followed up in writing ([Pro-forma letter A1](#)).
- the employee should be given the opportunity to bring a union representative or colleague of his or her choice to this meeting.
- the employee should be informed of the reasons for the planned staff reductions and for their inclusion in the at-risk pool.
- the employee should be advised of the options available or to be pursued to avoid compulsory redundancy, including [redeployment](#) or [voluntary redundancy](#), or to mitigate its effect.
- the employee should be asked to let the department know whether or not he or she wishes to be considered for voluntary redundancy and/or redeployment. It should be made clear that suitable posts might not be available, and that the search is more likely to succeed where the employee is prepared to be flexible about his or her future role.
- Personnel Services should be consulted in advance of such meetings.

Information should be sent to, and consultation undertaken with, all affected employees, including those temporarily absent or on sick or parental leave (including maternity leave). Departments considering redundancy in respect of a post where the post holder is a pregnant woman (who has protected status under legislation) must consult [HR Business Partners](#) before taking any action.
The provision of this advance warning period can be instrumental both in enabling employees to come to terms with their potential redundancy and in ensuring that staff reductions are, wherever possible, achieved by voluntary means.

Contact between department and/or Personnel Services and the employees at risk should be maintained and recorded throughout the redundancy procedure (Pro-forma letter A2).

Stage 3b: consult the unions

The University is required to consult staff representatives on collective redundancies. At Oxford this means the recognised unions: UCU, Unison and Unite. The unions must be engaged regardless of whether individual employees at risk of redundancy take up the option of union representation when their situation is discussed with them.

Consultation means providing a reasonable opportunity to influence developments:

- the unions should be briefed on the emerging business plan at the earliest reasonable stage, when there is still an opportunity to influence the decision on whether staff reductions are required.
- the unions should be given the number and description of posts at risk and the pool of staff from which it is proposed to select any eventual redundancies.
- the unions should be also be given the opportunity to influence how any staff reductions are achieved, for example by looking for voluntary rather than compulsory redundancies and, where there is a pool, the intended method of selecting the employees who will be made redundant.
- the unions must be given adequate information to enable them to respond and adequate time in which to make their response. Management must give conscientious consideration to those responses.

Practical steps

- Personnel Services will contact the University-level union representatives to alert them to the consultation requirement and to identify and agree the appropriate avenues for briefing and continued consultation.
- the presentation of the business case and likely redundancy pool is best done at an oral briefing by the appropriate department, with Personnel Services, so that initial questions and comments can be sought and received.
- this first presentation is also the occasion on which to settle details of how formal consultation will be continued.
- the initial briefing should be timed to take place just before or just after staff are briefed.
- it may be that, by mutual agreement, consultation need only be with one or other of the recognised unions e.g. where the case in question concerns employees represented by one particular union. The unions are generally content to be briefed together, but there may be occasions where this is not possible or appropriate.

Consultation is required through each stage of the subsequent redundancy procedure. It is particularly important to consult on matters such as voluntary departures, the proposed method of selecting from the pool, the proposed timing and method of carrying out any dismissals and compensation arrangements.

Aside from any legal requirement, working with the union representatives is helpful in implementing business plans. Individuals can find their support and guidance helpful in thinking realistically about the future. Managers may find that contact with union representatives helps to avoid potentially
damaging misunderstandings or subsequent difficulties and also to explore alternatives to compulsory redundancies.

Stage 4: Exploring alternatives to compulsory redundancy

Stage 4a: Voluntary redundancy

The need for compulsory redundancy may be avoided if those at risk, or others, reach agreement to leave voluntarily. This can take the form of voluntary severance; early retirement; or 'bump' severance.

Voluntary severance
At any time during the warning period an employee at risk of redundancy may apply to resign and leave the University voluntarily on enhanced terms (Pro-forma letter A3).

- although the department may seek volunteers as a means of avoiding compulsory redundancies, it must be clear that any application to leave voluntarily is the employee’s choice.
- **HR Business Partners** will advise on the terms available on a case-by-case basis.
- to accept an application, the department must be satisfied that it is appropriate for that particular employee to be released (Pro-forma letter A4).
- it may be necessary to wait until the end of the warning period before formally accepting an individual's resignation, in order to ensure that the number of employees wishing to leave on enhanced terms does not exceed the staff reduction required (in which case, a selection process will be necessary in order to determine which resignations should be accepted).

Employees who leave the University on enhanced, voluntary severance terms should not be re-employed in any capacity for a period of time, normally at least three months, after the leaving date, the period to be determined by the University at the time of severance. For further information contact your HR Business Partner.

Early retirement
In appropriate circumstances, an employee at risk might wish to apply for early retirement under the rules of the pension scheme to which he or she belongs (consult early retirement).

Bump severance
Where volunteers do not come forward, or where there are insufficient volunteers, the next step would be to explore the possibility of bump severance. This occurs when an employee not at risk volunteers to leave his or her employment so that an employee who is at risk and who is not volunteering to leave can move into their post.

- bump severance is only possible where the skills and abilities of the employee who is to continue at the University match the requirements of the post from which the volunteer is departing.
- details of employees who, with the agreement of their department, have registered an interest in bump severance should suitable opportunity arise are available on Register of employees wishing to leave on agreed terms.
In all cases the department with advice from HR Business Partners, should try to ensure that those applying to leave voluntarily understand the implications:

- the University will not normally re-employ them in any capacity until a minimum of three months after their leaving date.
- agreement on voluntary severance constitutes a mutually agreed termination of employment and there is therefore no need for contractual notice to be given by either party, nor is there any obligation on the University to pay salary in lieu of notice. Termination normally takes place on a mutually acceptable date no earlier than the end of the advance warning period and no later than the date at which the contract would have been terminated had contractual or statutory notice been given at the end of the warning period. Advice should be sought from HR Business Partners if there is any wish to make other arrangements.
- the employee should seek advice from the Pensions Office.

Stage 4b: redeployment

The University has an obligation to ensure that employees who are at risk of redundancy may look for suitable alternative work. If suitable alternative work is identified and if the employee is suitable to undertake it, it should be offered to the employee before the end of the employee’s current employment.

Within a reasonable time of being given advance warning, the employee at risk should let the department know whether or not he or she wishes to pursue alternative employment at the University.

- If the employee does not wish to pursue redeployment at the University, he or she should inform the department by means of a letter (Pro-forma letter A5). No further action to redeploy is then required.
- If the employee wishes to pursue alternative employment at the University, he or she should inform the department by means of a letter (Pro-forma letter A6).
- The department should reply to the employee with a letter identifying a nominated facilitator, confirming that they are considered to be a Priority candidate and providing details of the process (Pro-forma letter A7).
- Through the nominated facilitator, at meetings and by way of correspondence, the department should continue to advise the employee about redeployment prospects throughout the potential redeployment period. Copies of such correspondence and the notes taken at discussions should be kept on file.
- If the employee has not responded within a reasonable time, the department should seek a response.

If the employee does wish to be redeployed, the appropriate department should make all reasonable efforts to try to locate suitable alternative employment. The department should provide an employee who wishes to redeploy with:

- the opportunity to submit a Priority candidate application, if a suitable vacancy is identified;
- access to any potentially suitable vacancies within the same department and the opportunity to discuss them, where possible, before they are advertised;
- access to information about all university vacancies through the jobs and vacancies website;
- access to training relevant to improving their chances of finding alternative employment, and reasonable time away from normal duties to participate in such training and to search for a job;
- research staff in particular should be helped to consider realistic career options outside universities as well as within.
Redeployment constitutes a change to an individual's contractual terms of employment and cannot be implemented without his or her consent. But unreasonable failure to accept an offer of suitable alternative employment would put the individual at risk that he or she would not be entitled to a redundancy payment.

Where an employee whose post is at risk of redundancy has an opportunity for redeployment, the department may offer financial assistance to facilitate this, up to an amount not exceeding the potential cost of voluntary severance for the employee in question (including any employer's on-costs, if appropriate). This may take several forms e.g.:

- it may be appropriate to offer a limited period of salary protection if the redeployment is to a lower graded post, or one which offers a lower salary for other reasons; or
- the funds could be used to pay for all or part of the cost of any appropriate retraining required.
- HR Business Partners must be consulted before any such offers are made. Where appropriate, this arrangement could involve a transfer of funds between departments

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**Stage 5: Compulsory redundancy dismissal process**

If, at the end of the three month advance warning period, it has not been possible to achieve the necessary staff reductions by voluntary means or through redeployment, the compulsory dismissal process must be followed.

In all cases the process for dismissal on grounds of redundancy must include:

- a fair selection process to determine which employees are dismissed
- a proper notice period
- appropriate redundancy payment

At the end of this process, the formal notice of dismissal (A8 Dismissal notice) may only be issued after appropriate authorisation.

Each dismissal notice must include provision for an appeal.

**Stage 5a: Authorisation procedure**

There are separate procedures for authorising redundancy in different staff groups:

**Academic and academic-related staff**

- dismissals should be in accordance with Statute XII, Part B
- for academic-related staff on an open-ended, externally funded contract the arrangements for a Redundancy Committee must be followed.

**Support staff**

- a formal notice of dismissal should be issued by the appropriate official (as authorised under Statute XIV, see guidance on authority to employ/dismiss)

In all cases the advice of the HR Business Partner should be taken before the compulsory dismissal process is started.

**Stage 5b: fair selection of staff for redundancy**
In cases where the number of staff to be dismissed is smaller than the number of staff in the potential redundancy pool, there must be a selection process to determine which employees will be dismissed.

Selection will involve choosing between employees who carry out the same or similar duties. Departments must, therefore, give careful thought to the criteria that will allow a choice to be made.

These criteria should generally be objective and appropriate and applied fairly and transparently. What constitutes appropriate criteria will vary according to local circumstance and advice must be sought from HR Business Partners at an early stage. Employees and the appropriate trade union(s) should be notified of the criteria and given the opportunity to comment, in order to ensure that any special circumstances that apply to employees at risk of redundancy are taken into account in the selection process.

Some commonly used selection criteria include:

- skills or experience
- standard of work performance or aptitude for work
- attendance or disciplinary record

but whatever criteria are used, it is essential that employees can be marked against them in an accurate, consistent and objective way.

The criteria, or the application of them, should not discriminate because of

- protected characteristics under the Equality Act 2010 (which include: disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation); or
- trade union membership or activities, or assertion of a statutory right; or
- unjustifiably singling out one type of worker against another, for example unjustifiably selecting a full-time worker over a part-timer or a permanent contract employee over someone on a fixed-term contract.

**Stage 5c: notice period**

Employees who are dismissed on grounds of redundancy are entitled to receive their contractual or statutory notice period, whichever is the longer. This notice period should be given in the notice of dismissal.

The notice period may vary according to length of service and type of employment from a minimum of one week up to three months or more. For further information see Notice.

Payment in lieu of notice may be available, on the advice of the HR Business Partner.

**Stage 5d: Redundancy payment**

Employees are entitled to a statutory redundancy payment if they have worked continuously for the University for at least two years and their post is being made redundant.

This applies to those on fixed-term (whether terminated prematurely or at their expected date) as well as open-ended externally-funded or permanent contracts.

Employees may, however, not be entitled to a redundancy payment if they:
Whenever a redundancy payment is made, the employee must be given a written statement showing how the payment has been calculated.

Statutory Redundancy Pay (SRP) is payable at a rate that is set by Government and is calculated by reference to weekly pay, age and length of continuous employment.

- the weekly pay rate is capped by Government and adjusted regularly.
- all calculations should therefore be made by using the government’s ready reckoner.

An employee does not have to make a claim to redundancy pay in order to be entitled to it. The department should arrange payment by notifying the Payroll section. The employing department must therefore complete the following steps to action payment:

- complete a Payroll Leaver Form noting the reason for leaving as “X02 Compulsory redundancy (including expiry of fixed term contracts)”
- send the Leaver Form to the Payroll Manager/Deputy Payroll Manager together with a memo including the amount of redundancy payment due (as calculated by the ready reckoner) and the cost centre from which the payment should be made.
- do not send a separate payment request to Payments, as the redundancy payments will normally be made with the final pay or in the next available pay period after notification as a bank transfer payment.

In cases where an employee is accepted for voluntary redundancy, enhanced terms may apply. Departments should discuss this with HR Business Partners. Further information can be found on Voluntary redundancy.

Employees who, on leaving University employment, receive statutory redundancy payment should not be re-employed by the University in any capacity for a period of at least four complete calendar weeks (a calendar week being judged to start on a Sunday) after the leaving date.

Employees who leave the University on enhanced, voluntary severance terms should not be re-employed in any capacity for a period of time, normally at least three months, after the leaving date, the period to be determined by the University at the time of severance. For further information contact your HR Business Partner.

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**Stage 6: Appeal**

An employee may appeal against notice of dismissal on grounds of redundancy. Details of the appropriate appeal process are included in the notice of dismissal (Pro-forma letter A8).

Any such appeal must follow one of two arrangements:

**For academic and academic-related staff**
- appeals are made and considered under Statute XII, Part H
For support staff

- appeals are made and considered under arrangements for a **Redundancy Panel**

In all cases, every effort will be made to hear appeals before the date on which the individual's employment is due to end. Employment will not be extended to hear the appeal. If it has not been possible to hear the appeal before the date of the dismissal, an employee whose appeal is successful will be reinstated with full continuity of service and no loss of pay or other employment benefits. The employee will be required to return any payment made in respect of any termination of employment.