


# Restructure and Redundancy Policy



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Human Resources

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## 1. Policy Summary

This policy outlines the process for workforce restructure and redundancy within Milton Keynes City Council, (MKCC). It aims to ensure that any changes to the workforce are made in a fair and transparent manner, with the wellbeing of employees being a top priority. MKCC will follow this policy in all cases where workforce restructure and redundancy cannot be avoided. Any changes to this policy will be consulted upon with the councils recognised Trade Unions and reviewed where required, with the aim of ensuring that it continues to reflect best practice and relevant legislation. This policy does not form part of an employee's terms and conditions of employment and does not confer any contractual entitlement.

## 2. Who is this policy for?

This policy applies to all employees employed by Milton Keynes City Council. For school-based employees, the principles contained in this policy should be applied but agreement from the governing body will be required.

MKCC are committed to engaging and collaborating with our employees throughout the process of any workforce restructure and will consult with employees as required. We will explore all options available to avoid redundancies and will support affected employees to find suitable alternative employment within the council wherever possible. The council will undertake an Equality Impact Assessment to ensure any changes do not disproportionately affect a particular group of employees unless the organisational change can be objectively justified and there are no other alternatives.

Throughout the process, we will provide clear communication to all affected employees and offer support where required. The Employee Assistance Programme (EAP) provides a broad range of support for all employees including information and advice on physical and emotional wellbeing. Employees who are Union members will also be able to access support through their union membership. See section 12 of this policy for further information on support available.

MKCC are committed to ensuring equal opportunity for all employees and will ensure our approach to workforce restructure and redundancy follows best practice and relevant legislation, such as the Equality Act 2010, ACAS guidelines and other legislation.

## 3. Organisational Change

At the outset of any anticipated change, the manager will draw up a robust business case to explain the proposed changes. It is essential that an Equality Impact Assessment is carried out and included in the business case.

In accordance with the Localism Act 2011 [Localism Act 2011 \(legislation.gov.uk\)](http://legislation.gov.uk) MKCC have a statutory obligation to ensure that any organisational changes offer value for money, therefore when considering any changes the service should be considering likely costs, and commercial viability including all cost elements. e.g. pension strain, redundancy, and settlement costs.

**PRIOR** to launch, HR will undertake detailed costing and seek approval for these costs from the Chief People Officer. Under no circumstances should a consultation be launched without HR confirmation that approval has been sought.

If the organisational change is related to a TUPE out actuarial costs associated with TUPE must be considered, particularly in relation to pension liabilities. It is essential that the new employer's pension contribution rate is calculated at the start of the tendering process, and that this is factored into the overall financial planning.

This requirement should be clearly addressed in the early stages of the procurement process. HR must ensure that procurement colleagues are aware of this obligation and that it is explicitly included in tender documentation and financial modelling. This will help avoid delays or unexpected costs later in the process and ensure compliance with legal and financial responsibilities.

A redundancy situation arises where:

- a) the council ceases or intends to cease to carry on activity or work for which the colleague was employed; or
- b) the council ceases or intends to cease to carry on activity or work in the place where the colleague worked; or
- c) the requirement for colleague to carry out work of a particular kind or in a particular location has ceased or diminished or is expected to cease or diminish.

## **4. Consultation**

If there is a need to restructure or reduce the number of posts, we will provide all affected employees with the opportunity to engage in consultation about the proposed restructure and redundancy process. This will include a group consultation meeting at the start of the process, as well as inviting employees to individual consultations meetings. Employees and unions will be asked to put forward alternative proposals during the consultation period which will be considered and responded to.

In line with current legislation, the following consultation periods will apply:

- 19 or less employees affected - the council will commence a 30-day collective and individual consultation period with the employees affected.
- 20 to 99 employees within any 90 days - the council will commence 30 days collective and individual consultation.
- 100 or more employees affected within a period of 90 days - the council will commence a 45-day consultation period.

Whilst consultation must start at least 30 days before the redundancy notices take effect, it is not necessary that consultation should last for all that time if agreement or a conclusion is reached

earlier. Likewise, where consultation has not been completed by the end of the statutory consultation period, consultation can be extended. Trade unions and employees will be kept fully informed at all times.

**Employees on a fixed term contract:** If a fixed term contract could end prematurely due to a redundancy situation, then employees must be included in the consultation. Employees with more than two years' service on a fixed term contract will be entitled to a redundancy payment. Employees that have accrued four years continuous service on fixed term contracts are regarded as permanent employees and cannot be excluded from the requirement to consult collectively.

## 5. Glossary of Terms

**Ring-Fence:** When a post is ring-fenced, it will only be open to applications from employees who are within a specified group within the service area undergoing the organisational change.

**Slotting in:** Roles unchanged/same grade OR roles changed but predominately the same tasks and skills will be required. If there are more employees than posts, then a competitive selection process will take place, and successful employees will be slotted into the roles. Employees who choose not to be slotted in will be considered to have resigned and will not receive a redundancy payment. For unsuccessful employees, or where slotting in roles do not exist, suitable alternative employment may be offered if available.

**Suitable alternative employment, (SAE):** A similar role can be offered as a suitable alternative located within the boundaries of Milton Keynes. The alternative post offered must require similar knowledge, have similar tasks and where possible have similar pay to the outgoing post. If required, training can be provided. The role can be a one grade below and pay protection for 12 months will be applied. If a colleague is offered a suitable alternative role to their current role, the colleague will be entitled to a 4- week trial period which can be extended up to 3 months.

If at the end of the trial period either party thinks the role is not suitable a reasonable explanation must be provided in line with ACAS guidance. An extended trial period of up to 3 months can be put in place in certain circumstances. If its agreed the trial or extended trial is unsuccessful then the right to a redundancy payment will remain. Employees will forego their redundancy payment if they either unreasonably refuse a 4-week trial or unreasonably refuse the role at the end of the trial period. Where the SAE is subject to pay protection, the pay element will not be considered a reasonable reason to refuse a role. Not all roles may be eligible for a trial period. If a role doesn't meet the criteria of a suitable alternative as per [ACAS guidance](#), a trial period may not be offered. Before a trial period is refused, HR should be consulted with in the first instance.

**At Risk:** If it has been determined that there could be redundancies, the affected employees will be notified and put "at risk" at the outset of the consultation process, typically following the initial consultation meeting. Redeployment status will apply once employees are put at risk.

**Redeployment Status:** The Council is committed to minimise job losses and will seek wherever possible, to find alternative employment where a colleague meets the essential criteria for a vacant role.

If there are no suitable alternative roles within the proposed structure, employees should actively look for alternative work within the Council once they are "at risk" or have been served notice. Managers are responsible for regularly meeting with these employees to discuss redeployment opportunities and keep HR updated.

Employees must indicate their redeployment status when applying for jobs via the MKCC Careers portal [Jobs and careers with Milton Keynes Council \(milton-keynes.gov.uk\)](https://www.milton-keynes.gov.uk/jobs-and-careers).

Employees with Redeployment status are guaranteed an interview if they meet the essential criteria for a role. It is essential employees inform their manager and HR of any internal job application that is outside of the restructure to support them with this process.

The recruitment system will highlight to the Recruiting Manager where an applicant has indicated they have redeployment status. Redeployees only need to meet the essential criteria for a role to be considered. They should be interviewed before other candidates whenever possible. It is the decision of the recruiting manager to determine whether the application demonstrates they meet all the essential criteria required. If they have applied for a higher graded role, they should usually compete alongside other candidates as part of the recruitment and selection process and therefore may not be guaranteed an interview. The aim is to redeploy individuals to a job of the same grade, but other roles may also be considered where the essential criteria is met.

**Pay Protection:** If a colleague is offered alternative employment one grade lower than their old grade, they will be entitled to pay protection, and their original salary will be protected for a maximum of one year from the date of redeployment. There will be no pay protection to an employee who elects to apply for a post more than one grade below their old grade. No cost-of-living award will be applied to the protected element of salary.

If, during the pay protection period, an employee obtains a post at their former grade then in most cases, they will be placed back on their former pay point thereby maintaining their salary level. Details of the pay protection arrangements will be contained within the contract variation which HR will issue to individuals who have been redeployed.

To ensure pay protection is meaningful for employees where these special rules apply, it will be applied the day after the last day of maternity/SPL/adoption leave and no later than the statutory number of weeks of entitlement from the start the leave commenced.

**Redundancy Pools:** In seeking to identify the appropriate pool, managers should consider the following factors:

- Type of work the employees within the group are carrying out
- Whether other groups of employees are doing similar work
- Whether any of the jobs are interchangeable

Where various restructures are taking place across the Council at the same time, a pool of appropriate posts will be identified from which the redundancy selection will be made. Redundancy pools should be drawn up from amongst employees affected by each specific

reduction proposal across the Council. Service Groups will retain responsibility for their employees, even when placed in a pool.

In some instances, it will be appropriate to include employees with a proportion of similar core skills in the same pool, e.g., secretarial and administrative posts. Normally pools will be formed of employees at the same grade whether posts are occupied by full or part time employees providing the duties and skills of the post holders is deemed to be reasonably similar.

Exceptionally, where managers are considering restructuring in specific service areas which could result in more than one reporting line being affected, then all employees affected by the restructuring should be included in the pool.

**Interview Selection Process:** If the posts are not similar enough to consider a "slotting-in" process or if there are more employees than posts, the next step may be to interview employees for the new posts in the new structure.

It may be appropriate to offer employees a post (unless there are more employees than posts) as Suitable Alternative Employment and waive any competitive interview process.

**Selection Criteria Matrix:** Where the number of employees exceeds the number required for a particular role, a selection matrix will help make sure employees are selected for redundancy in a fair way. The criteria used by MKCC meets [ACAS guidelines](#) and has been agreed in conjunction with the recognised trade unions. All employees who will be required to participate in the selection matrix will be appropriately briefed.

MKCC uses the following criteria in accordance with the relevant key deliverables and essential requirements of the applicable role profile, alongside the Key Employment Issues:

- Skills and Experience
- Aptitude and approach to work
- Standard of current work
- Attendance record (Absences relating disability, pregnancy or maternity should be discounted when using attendance as a selection criterion – there may be other types of absences that should be discounted, and HR advice should be sought)

**Key Employment Issues, (KEI's):** These are scores that are awarded in relation to a colleague's attendance (this will have taken into account any adjustments required to reflect for example disability, pregnancy or maternity related absences - this list is not exhaustive), disciplinary and performance history and can be combined with the score of a competitive interview process to determine which employees are eligible to be appointed to the new structure. They have been agreed with MKCC's recognised trade unions and are in line with [ACAS guidance](#).

Competitive Interviews and selection matrices in a restructure situation **must** include a score in relation to the Key Employment Issues (KEI's) (see Glossary of Terms) as well as the score for the interview / matrix itself. The overall score on which the decision will be made is therefore a combination of the Interview / matrix score and the KEI score.

## 6. Redundancy Payment

The following applies in instances of both compulsory and voluntary redundancy:

A colleague who is dismissed for redundancy will be entitled to a redundancy payment providing they have two years or more continuous service with the recognised bodies under the Redundancy Modifications Order.

Further details around continuous service (Part 2, paragraph 14 of the Green Book) are available in the Terms and Conditions Handbook on the intranet [MKCC Terms and Conditions Handbook](#)

Redundancy payments are based on an individual's actual weeks' pay (Gross and subject to the statutory cap), length of local government continuous service and age at the date employment ends.

A weeks' pay is defined as the amount to which an employee is entitled under the contract of employment and is incorporated into their hourly rate. A Weeks pay does not include other payments unless they are listed below.

Additional Payments to be included/excluded in the redundancy calculation:

Included	Excluded
AWP	Sleeping in Duty
	Overtime (overtime should only be paid in exceptional circumstances)
	Standby/On Call payments
	Housing/Food or Uniform Allowances
	Market Rate Supplement
	Social Worker Retention Payments/Additional Payments
	Golden Hello
	Partial acting up
	Honoraria
	AMHP Allowance

**Any additional payments not explicitly listed above will be considered on a case-by-case basis. The final decision on whether such payments are included in the redundancy calculation rests with the Chief People Officer.**

Where an employee has taken on the full duties of a higher graded post (Full Acting Up) their redundancy pay will be calculated on the substantive posts salary if this is the post being made redundant. If the Acting Up post is being deleted, then the post holder should transfer back to their substantive post at the relevant time. If both posts are being deleted, the redundancy payment

should be calculated on the substantive post. Redeployment rights such as pay protection will apply to the substantive post.

In respect of pay, the council will apply the statutory weekly pay cap as set out in the Employment Rights Act 1996, which is reviewed annually.

A locally agreed multiplier of 1.5 has been agreed for colleagues employed on MKCC terms and conditions of employment as detailed below. Where colleagues are not on MKCC terms and conditions their contractual redundancy terms will apply.

<b>Service between ages</b>	<b>Entitlement</b>
Up to age 21	0.75 week's pay (with cap) for each completed year of service
22 to 40 (inclusive)	1.5 week's pay (with cap) for each completed year of service
41 plus	2.25 week's pay (with cap) for each completed year of service

The maximum number of year's employment which can be taken into account is 20.

A ready reckoner is available for calculating how many weeks redundancy pay a colleague is entitled to.

Any entitlement to redundancy pay will be forfeited and retained by the council should a colleague be dismissed for gross misconduct at the time of a redundancy announcement or during the notice period.

Statutory redundancy pay under £30,000 is not taxable.

[What a colleague will pay in tax and National Insurance on](#) depends on what's included in their redundancy payment.

## **7. Pension Benefits**

For employees who are age 55 or over and leave LGPS employment due to redundancy or business efficiency, special rules will apply:

- their pension will be put into payment from their last day of service - they will not be able to defer payment
- even if they have not yet reached Normal Pension Age, [early retirement reductions](#) will not apply- their pension will be paid at the value on their last day of service
- If they have a pension that they no longer pay into ([deferred pension](#)), this will not automatically be paid to them. They can choose to release this, but they must provide 3 months' notice to Bucks Pension. Early retirement reductions will apply if employees take this before Normal Pension Age.

The above information is correct at the time of writing.

Bucks Pension are unable to provide employees with an estimate for redundancy retirement.

However, if a colleague is being made redundant and would like to know how much pension would be payable, please contact HR who can obtain this on the employees behalf. HR require the employees express permission to obtain this information.

Further information on the LGPS can be found here: [Pensions | Buckinghamshire Local Government Pension Scheme](#) or by calling Bucks Pensions directly on 01296 383755.

## 8. Redundancy Payment Modification Order

An employee will receive a redundancy payment if their employment ceases with MKCC and they:

- a. do not take up further employment; or
- b. take up employment with an organisation to which the Redundancy Payments Modification Order (RPMO) is not applicable; or
- c. receive an offer of employment from an organisation to which the Redundancy Payments Modification Order (RPMO) is applicable, but the offer is made after their contract ends with MKCC; or
- d. receive an offer of employment from an organisation covered by the RPMO before their contract ends with MKCC and they take up their new job after an interval of more than 4 weeks.

They will not receive a redundancy payment if they receive an offer of employment with an organisation covered by the RPMO before their contract ends with MKCC and they take up their new job after an interval of less than 4 weeks.

If the colleague starts a new job with an employer on the Modification Order, they may not be eligible for a redundancy payment. No redundancy payment would be payable if, on or before their last day of employment, they are offered the job and it will start before the day shown in the table below:

<b>Last Day of Employment</b>	<b>If job starts before following day there will be no redundancy payment</b>
Monday	5th Tuesday after <b>Last Day of Employment</b>
Tuesday	5th Wednesday after <b>Last Day of Employment</b>
Wednesday	5th Thursday after <b>Last Day of Employment</b>
Thursday	5th Friday after <b>Last Day of Employment</b>
Friday, Saturday, or Sunday	5th Tuesday after <b>Last Day of Employment</b>

It is, therefore, essential that all employees leaving the Council by means of redundancy dismissal are asked to complete the Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999 Form.

When it has been established who the new employer is, it will be necessary for the Manager to contact HR to confirm whether or not the new employer is covered by the Redundancy Payment Modification Order.

#### **Example:**

Colleague A is being made redundant on 31 March 2023 by Council A and 31 March will be the last day of service.

Colleague A receives a job offer from Council B on or before 31 March AND the contract starts on or before 29 April, the redundancy will no longer stand. If Colleague A waits until 1 May to start work for Council B the redundancy dismissal will still stand, and they can keep the redundancy payment but will no longer have any continuous service.

If Colleague A doesn't receive the job offer from Council B **until after** 31 March 2023 then it doesn't matter when they start with Council B. The redundancy dismissal stands, and the receipt of the redundancy payment means continuity is broken.

## **9. Notice Periods and Annual Leave**

The amount of notice a colleague is entitled to receive is that set out in their contract of employment or the statutory period, whichever is the greater as follows:

**Contractual** (this may vary where employees are on other terms and conditions such as MKSP or other TUPE arrangements – Managers should contact their HR team for advice in such cases)

Grades A to G - one month

*\*only one months' notice applies to those employed prior to 1 September 2024*

Grades H to K - two months

Grades L to O - three months

Or

#### **Statutory**

Employees are required to receive one week's notice for each year they have worked, up to a maximum of twelve weeks. HR will review and verify this.

Normally, employees must work their notice period, but in exceptional cases, they may receive payment in lieu of notice. Managers should consult with HR if they believe this is necessary. If a colleague requests to leave before their notice period ends, management will generally agree if

there are no operational reasons to retain them. This will not affect their entitlement to a redundancy payment; however, the council reserves the right to recalculate the redundancy payment based on the earlier leaving date. If the request is granted, the colleague will still be considered dismissed by reason of redundancy, but the termination date will be the actual departure date, not the originally stated date. Salary will only be paid up until the termination date.

### **Annual Leave Prior to Termination of Employment**

Employees must take any annual leave accrued up to their final date of employment before leaving MKCC. Every effort should be made to use any outstanding leave prior to the last working day. This requirement also applies in cases where employees are not expected to work during their notice period—for example, when a service closes before the notice period ends. In such instances, untaken leave should still be used during the notice period, which may be referred to as *garden leave*. Employees continue to accrue annual leave while on garden leave. If, due to business needs, it is not possible for an employee to take their accrued leave before their final day, any remaining balance will be paid in their final salary. Conversely, if an employee has taken more leave than they have accrued, the excess will be recovered from their final salary payment.

## **10. Voluntary Redundancy**

Voluntary redundancy will be considered as an alternative to compulsory redundancy. This will attract the same level of compensation as compulsory redundancy. Each request (using the VR application form) will be considered individually, and there is no guarantee it will be granted. For example, if the employee is highly skilled and experienced in their role, the council reserves the right to retain them.

## **11. Appeals Process**

Employees can appeal against redundancy decisions and the Appeal Form must be submitted to the Chief People Officer within 10 working days date of the written notification of redundancy. The Appeal Hearing will be conducted by a Director/Assistant Director/Head of Service, supported by a representative from HR.

Employees have the right to be accompanied by either a MKCC colleague or a Trade Union Representative at the Appeal Hearing.

Employees will be given at least 5 working days notice for the Appeal Hearing.

The Chair of the Appeal Hearing will make a final decision and communicate it in writing to the employee, usually within five working days of the Appeal Hearing taking place.

There is no further right of appeal.

Appealing does not affect the timelines of redundancy payments or notice periods.

## 12. Support for Employees

Details of MKCC health and wellbeing offerings such as the Employee Assistant Programme, Health Champions, Financial Wellbeing and much more is available on the intranet for all employees: [Health and Wellbeing \(sharepoint.com\)](#)

A number of different measures will be used to assist employees “at risk” of redundancy. These may include:

- **Retraining** - If a colleague is at risk of redundancy and there are no suitable alternative opportunities available without retraining, they may be offered training to help them find a new job. This training can happen before or after they are redeployed, depending on the situation. The colleague will meet with HR to discuss their training needs and develop a plan. The manager will regularly assess the colleague's progress during retraining. Employees must be committed to the training and willing to acquire new skills. They will be reimbursed for any legitimate expenses incurred during retraining. The cost of retraining will be funded by the colleague's former Service Group.
- **Time off to look for a new job** – Employees are allowed a reasonable amount of paid time off to look for work. This includes applying for jobs, going to interviews, or getting training to help the colleague obtain a new job. Affected employees should discuss their requirements with their manager and seek HR advice if required.
- **Vocational Qualification Training Costs** - MKCC will waive the recovery of any Vocational Qualification Training costs for any employees leaving under compulsory or voluntary redundancy.
- **EAP, Financial Advice, Health Champions etc** - [Health and Wellbeing \(sharepoint.com\)](#)
- **Pensions Team Contact** - Employees affected by redundancy may require information on the Local Government Pension Scheme. It is essential that they contact Bucks Pensions Team directly: Pensions Section, Bucks County Council - Tel: 01296-383755
- **Other Sources of Support** – Find your nearest jobcentre [Jobcentre Plus Local Office Search - GOV.UK \(dwp.gov.uk\)](#) – they specialise in helping people who have been made redundant. If employees are thinking about starting a new career, they may get help paying for training or qualifications [Grants and bursaries for adult learners - GOV.UK \(www.gov.uk\)](#). Advice can also be sought from the National Careers Service [Careers advice - job profiles, information and resources | National Careers Service](#) who provide career information as well as advice and guidance. This includes advice around how to be successful in the recruitment process with tips on CV writing and interviews.

## 13. Data Protection

Any data collected and processed as part of employing and managing colleague's is held securely. It is accessed by, and disclosed to, individuals only for the purposes of completing that specific procedure, process, or activity.

Records are retained and destroyed in accordance with the organisations Retention Schedule.

## Version Control

Version	Date	Updated by	Comments
2.0	23.7.12	Jean Sargent	Removal of redundancy statutory weekly pay cap and signpost to Milton Keynes Council - Restructure, Redundancy and Redeployment Toolkit for current weekly pay cap
3.0	8.4.13	Jean Sargent	Legislative changes related to Redundancy Consultation and Fixed Term Contracts effective from 6 April 2013.
4.0	1.11.13	Jean Sargent	Appeal Forms should be submitted to Service Delivery Manager – HR
5.0	4.6.14	Jean Sargent	Policy updates in line with the Pay and Reward Project – Pay Protection and Notice periods
6.0	23.1.14	Jean Sargent	Deleted paragraph which refers to LGPS members electing to convert some lump sum compensation in augmented years for pension purposes “At risk” status will be applied when consultation and appointment to the new structure has been completed Appeals to be conducted by a Director and an HR Manager or a Senior Representative from the HR Team Remove all references to “preferred candidate status” Changed the Policy title to align with the Toolkit Further information included on informal consultation
7.0	05.09.16	Cindy Stanton	Agreed at JNC on 27 June 2016 (JNC06 refers): Pay protection revised to 1 year at 100%
8.0	23.05.18	Declan Leith	Inclusion of Data Protection paragraph plus various changes to intranet references.
9.0	01/2024	Lynette Houghton & Sasha Gudgeon	Revised to new template
10.0	June 2024	Kellie Evans	New Template
11.0	November 2025	Sasha Gudgeon	Amended notice periods for G grades TUPE arrangements for actuarial costs Matrix Process Appeals Process – 5 working days’ notice added to timeline Removal of reference to appeals panel Annual Leave section updated/garden leave How redundancy pay is calculated amended