

The Newcastle Upon Tyne Hospitals NHS Foundation Trust

Human Resources Policies and Procedures

Organisational Change and Redundancy Policy

Effective from: November 2011

Review Date: October 2013

1. Introduction

- 1.1 This aim of the policy is not to set out the process of organisational change but seeks to clarify the policy implications where there is a potential for organisational change including the potential for redundancy. Although the Trust would wish to avoid redundancies wherever possible, where operational reasons including changes in the patterns of activity, the organisation of work, or the ability to finance work, reduce the requirement for staff, or for staff of a particular kind, the Trust will, in consultation with staff and the relevant recognised Trade Union(s) as appropriate, take the steps set out below to minimise and manage redundancies and their impact. This policy outlines the Trust's approach to dealing with potential redundancies.
- 1.2 The policy seeks to highlight and address the measures which will be considered or taken to avoid or minimise the need for potential redundancies and to mitigate their impact should redundancies become unavoidable. The policy may need to be adapted where exceptional circumstances demand it. The Trust reserves the right to amend and change the policy following appropriate consultation.
- 1.3 Where this is necessary the Trust will ensure that:
 - The total number of redundancies made is kept to a minimum
 - Employees and where appropriate, their representatives are fully consulted on any proposals and their implementation.
 - Selection for redundancy is based on clear criteria that will, as far as possible, be objective and fairly applied.
 - Every effort will have been made to redeploy or find alternative work for employees at risk of redundancy
 - Support and advice is provided to employees at risk of redundancy to help them find work should their employment be terminated for reasons of redundancy.
- 1.4 The Trust will ensure that any selection decisions for redundancy are made objectively and are free from unlawful discrimination.
- 1.5 This policy is designed to comply with relevant legislation and good practice.

2. Scope

- 2.1. This policy applies to all staff employed by the Trust, including those who are seconded out to another organisation.

- 2.2. It does not apply to employees seconded into the Trust as those employees are the responsibility of their substantive employer. It also does not apply to contractors or agency workers.
- 2.2 The policy will apply where there are wider changes within the NHS.

3. Redundancy

Definition

The Employment Rights Act 1996 states that redundancy arises when employees are dismissed in the following circumstances:

- a) Where the employer has ceased, or intends to cease, to carry on the business for the purpose of which the employee was employed or
- b) Where the employer has ceased, or intends to cease, to carry on the business in the place where the employee was employed
- c) Where 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
- d) Where the requirements 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.

4. Avoiding Redundancies

The Trust will take steps to avoid or reduce the number of redundancies, and may consider a combination of the following:

- Natural wastage/turnover
- The restriction or suspension of external recruitment where the needs of the business will permit
- Restriction or elimination of overtime
- Reduction in working hours considered for individual cases
- Review of temporary appointments and the use of agency staff or consultants
- Inviting applications for early retirement/voluntary redundancy.
(The Trust reserves the right to make the final decision regarding any such application).
- Redeployment throughout the Trust

5. Consultation

- 5.1 Any proposed change to working conditions/practices and/or service provision, which may or may not affect the employment of current staff, will be discussed in advance with the employees affected and the appropriate recognised trade unions and/or staff organisations.
- 5.2 The discussions will take place as soon as is reasonably practicable before the proposed change occurs and Trust representatives shall provide details of the reasons for the proposed change(s) and the anticipated impact upon employees.

- 5.3 At any individual meetings regarding the organisational change process, the employee is entitled to be accompanied by a Trade Union/ Staff representative. The manager should seek the accompaniment by the Human Resources Officer at these meetings.
- 5.4 Where 20 or more redundancies are contemplated in a 90 day period, collective consultation will take place with the appropriate Trade Unions/Staff Organisation Representatives in accordance with the stipulations of prevailing legislation. Consultation will take place with a view to reaching agreement. Legislation does not require agreement to be reached, but the Trust will consult in good faith and with a view to reaching agreement.
- 5.5 Where 20 or more redundancies are anticipated, there is a statutory duty to formally notify the Department for Business Innovation and Skills giving the appropriate minimum notice period in accordance with the stipulations of prevailing legislation through the completion and provision of form HR1.
- 5.6 Consultation will include the provision in writing of the following information:
- The reason or reasons for the redundancy proposal
 - The number and description of the employees whom it is proposed to dismiss as redundant
 - The total number of employees of any such description employed by the Trust
 - The proposed method of selecting the employees who may be dismissed
 - The proposed method of carrying out the dismissals, including the time period over which the dismissals are to take effect
 - The proposed method of calculating redundancy pay.
- 5.7 The consultation will also cover:
- Ways of avoiding dismissals
 - Ways of reducing the number of employees to be dismissed
 - Ways of mitigating the consequences of the dismissals
 - Details of the total number of agency workers engaged, the areas in which they are utilised and the type of work they are contracted to undertake
- 5.8 Special arrangements may need to be made to ensure that employees who are absent from work at the time that a redundancy situation arises, due to i.e. maternity leave or sickness absence are adequately communicated and consulted with throughout any process.

6. Voluntary Redundancies

- 6.1 Invitations to volunteer may be offered to employees in departments affected by any redundancy proposal. No blanket invitations will be issued by the Trust.
- 6.2 Invitations to volunteer for redundancy will be communicated as part of the consultation process. The opportunity to volunteer for redundancy will be available for a defined period and any communication will clearly state the closing date for

applications. Any application must be made in writing and an application form will be provided for employees to use if they wish to apply for voluntary redundancy in these circumstances. Appendix 1

- 6.3 Employees who choose to apply for voluntary redundancy are not guaranteed to have their application accepted. The Trust reserves the right at its absolute discretion to decide whether or not to accept any individual application for redundancy. The decision will depend on the need to ensure a balance of knowledge and skills within the remaining workforce appropriate to meeting future operating needs and review of the cost under the NHS redundancy pay and Pension Scheme'. The Trust's decision on whether or not to accept or reject any particular application is final.
- 6.4 Where an employee's application for voluntary redundancy is accepted, the employee will be notified of this in writing as soon as possible after the closing date for applications. Thereafter a meeting will be set up with the employee to discuss and agree a date for his/her redundancy and to confirm entitlement to notice, final pay and benefits, and redundancy pay.

7. Selection Criteria for Redundancy

- 7.1 In a situation where it becomes necessary for the Trust to affect redundancies, the proposed criteria will be subject to consultation with the recognised Trade Union/Staff Organisation representatives.
- 7.2 A decision will be required to determine the appropriate selection pool, and the criteria for selection will depend on the existing circumstances and the particular needs of the Trust at the time. Every effort will be made to construct a fair, objective and robust set of criteria.
- 7.3 Examples of selection criteria which may be used, could include proficiency in skill, knowledge, experience, and job performance, inadequacies in an employee's employment record (which have been brought to their attention) including attendance records, and any active disciplinary action. The Trust will ensure employees are not unlawfully discriminated against, and as such, absence due to a disability related illness, will normally be discounted, if attendance is confirmed as a criterion for selection.

8. Alternative Employment

- 8.1 The Trust will make reasonably practicable efforts to seek alternative employment within the organisation. Where opportunities exist, information will be provided to affected employees. Appointment to an alternative position will be subject to a standard selection process including pre-employment checks. Suitable alternative employment can include redeployment, and where the duties of the new role are substantially equivalent to the substantive duties of the employee, as determined by the Trust it will be deemed to be suitable alternative employment.
- 8.2 In determining if the alternative role is suitable a range of factors will need to be considered, including skills, nature of the duties, pay, hours of work, etc. Significant personal circumstances may also be taken into account. The terms and conditions which apply will be in accordance with the standard terms of the alternative role.

- 8.3 All offers of alternative employment will be made in writing and will identify how the offer of alternative employment differs from the original contract. An employee who accepts an offer of alternative employment will be entitled to a trial period of four weeks to ascertain if the post is suitable. The four week trial period can be extended for retraining purposes by mutual agreement.
- 8.4 The offer of alternative employment can be terminated by either party if it is deemed unsuitable by all parties.
- 8.5 An employee who unreasonably refuses an offer of suitable alternative employment or rejects such employment during or after a trial period (including any agreed extension for retraining) will forfeit their right to a redundancy payment.
- 8.6 If at the end of the trial period (including any agreed extension for retraining) the post is considered unsuitable by all parties, the employee would remain at risk, and be entitled to a redundancy payment if no other suitable alternative employment is available.

9. Assistance to Employees

- 9.1 An employee who meets the appropriate service requirements and is under notice of redundancy will be given reasonable paid time off to seek alternative employment, or for retraining, provided that documentary or other evidence is given to their manager as part of the request for time off. Such requests for time off will be subject to the operational needs of the department at the time.
- 9.2 The Trust will endeavour to assist an employee to find other employment by liaison with other parts of the NHS and job centres, where appropriate.

10. Salary Protection Arrangements

- 10.1 Salary protection arrangements will be considered in relation to any permanent employee who, as a result of organisational change, is required to move to a lower banded post.
- 10.2 If protection applies, the employee will be entitled to have the salary level of their former post protected from the date of their new appointment (Appendix 3). The protected salary will be on a 'mark time' basis, i.e. there will be no payment of increments or uplift for cost of living increases.

11. Redundancy Pay

- 11.1 Redundancy pay is conditional upon the Trust's ability to pay the statutory minimum, no industrial action within the Trust, and the cooperation of staff. Redundancy payments will be made in line with Section 16, Agenda for Change NHS Terms and Conditions Handbook (Appendix 2).
- 11.2 Employees who are not eligible for a redundancy payment include those who, at the date of termination of employment, have obtained without a break (or with a break not exceeding four weeks) suitable alternative employment within the Trust, or with

another NHS Employer; employees who leave employment before the expiry of his/her notice and/or an employee who is offered a renewal of contract where the employment is transferred to another Public Service employer.

12. Informing the Employee Following a Redundancy Selection Process

- 12.1 Following any selection process, an employee will be invited to a meeting to discuss the outcome, and has the right to be accompanied by a colleague or a representative from a recognised trade union or staff organisation if they wish. Only a member of the Executive Team or person with delegated authority may make the decision to confirm an employee is at risk of redundancy.
- 12.2 Following a redundancy selection process, The Trust will confirm in writing the decision that an employee is 'at risk' of redundancy and the letter sent following this meeting will also show how any redundancy pay would be calculated.
- 12.3 The employee will be informed that the Trust will make reasonably practicable efforts to identify suitable alternative employment as outlined at 8.1
- 12.4 If the Trust is unable to secure suitable alternative employment, the employee will be informed that the decision to be made redundant is confirmed. This will be followed up in writing. An employee who is to be made redundant is entitled to a minimum notice period as laid down in their contract of employment. A decision regarding whether notice is worked, or paid in lieu, will be made according to operational requirements.

13. Appeal

- 13.1 An employee who has been informed of the decision to be made redundant may appeal on the basis of the application of the selection criteria. Only one appeal is permitted related to selection for redundancy. The appeal must be made in writing to the Director of Human Resources, and should be lodged within fourteen calendar days of the formal notification of redundancy being given.
- 13.2 An appeal meeting will then be arranged with an Appeals Panel of the Trust Board. The panel shall consist of two members of the Board (at least one of whom will be a Non-Executive Director), and will be supported by a representative from the Human Resources Department. None of the above should have had any prior involvement in the redundancy. The appeal hearing must be held without unreasonable delay. The appeal hearing will determine whether or not to confirm the decision to make the employee redundant
- 13.3 The outcome of the appeal will be sent to the employee in writing within five working days of the appeal hearing. The decision of the appeal hearing will be final.

14. Re-Employment Following Redundancy

The Trust will not normally re-employ ex-employees who were dismissed on the grounds of redundancy.

15. Audit & Monitoring

- 15.1 Compliance with this policy will be monitored by the Director of Human Resources on an annual basis at the HR Performance Review meeting. Any area(s) of concern will be addressed by an action plan which will be subject to review and amendment accordingly.
- 15.2 Monitoring will include reporting of information on the Electronic Staff Record for the purpose of:
- The number of employees made redundant from the Trust in the last 12 month rolling period and the reasons for the redundancies, and the relevant Equality and Diversity data related to this.
 - The number of appeals against redundancies made via the procedure.

16. Further Advice & Guidance

Please contact a Human Resources Officer in the Human Resources Department.

17. Guidance Review

The Director of Human Resources is responsible for the review and amendment of this procedure.

**THE NEWCASTLE UPON TYNE HOSPITALS
NHS FOUNDATION TRUST**

Example

Application for Voluntary Redundancy	
Due to [organisational/operational/insert other] reasons, the Trust is currently contemplating redundancies. As a result, we are asking employees to consider whether or not they would like to volunteer for redundancy. If you wish to apply for voluntary redundancy, please complete the form below in full and return it to [name] by [date].	
Name:	
Department:	
Job title:	
Employee number:	
Date of commencement of NHS employment:	
Date of commencement of Trust employment:	
I wish to put my name forward for voluntary redundancy. I understand that the Trust is not obliged to accept my application for voluntary redundancy.	
Signed:	
Date:	

If your application for voluntary redundancy is accepted, you will be notified and a meeting will be set up to discuss the timing and circumstances of your redundancy and to discuss your entitlement to notice and redundancy pay on termination.

The Trust reserves the right to determine whether or not an application will be approved and any agreement will be at the complete and absolute discretion of the Trust. There will be no automatic entitlement to payment under the scheme and each case will be considered on its own individual merits. The Trust will be under no obligation to provide reasons for the granting or refusal of any request.

Redundancy pay

Introduction

This section sets out the arrangements for redundancy pay for employees dismissed by reason of redundancy who, at the date of termination of their contract, have at least 104 weeks of continuous full-time or part-time service. It also sets out the arrangements for early retirement on grounds of redundancy and in the interests of the service for those who are members of the NHS Pension Scheme and have at least two years' continuous full-time or part-time service and two years' qualifying membership in the NHS Pension Scheme. It further sets out transitional arrangements from 1 December 2006 to 30 September 2011 for staff aged over 50 at the time of redundancy who are members of the NHS Pension Scheme with at least five year's pensionable service.

Qualification for a redundancy payment

To qualify for a redundancy payment, the member of staff must be an employee, working under a contract of employment for an NHS employer. Non-executive directors of NHS organisations do not qualify. To qualify for a redundancy payment the employee must also have at least 104 weeks of continuous full-time or part-time service.

Definition of continuous service

“Continuous service” means full-time or part-time employment with the present or any previous NHS Employer. If with more than one NHS employer, there must not have been a break of more than a week (measured Sunday to Saturday) between employments.

Definition of reckonable service

“Reckonable service” for the purposes of an NHS redundancy payment, which is calculated on the basis of the service up to the date of termination of the contract, means continuous full-time or part-time employment with the present or any previous NHS employer but with the following additions:

- where there has been a break in service of 12 months or less, the period of employment prior to the break will count as reckonable service
- periods of employment as a trainee with a general medical practitioner in accordance with the provisions of the Trainee Practitioner Scheme will count as reckonable service
- at employer discretion, any period or periods of employment with employers outside the NHS where these are judged to be relevant to NHS employment can be included in reckonable service.

The following employment will not count as reckonable service:

- employment that has been taken into account for the purposes of a previous redundancy, or loss of office payment by an NHS employer
- where the employee has previously been given pension benefits, any employment that has been taken into account for the purposes of those pension benefits.

Definition of a month's pay

“Month's pay” means whichever is the more beneficial of the following calculations:

- 4.35 times a week's pay calculated in accordance with the provisions of Section 221 to 229 of the Employment Rights Act 1996
- an amount equal to 1/12th of the annual salary in payment at the date of termination of employment.

Calculation of redundancy payment

The redundancy payment will take the form of a lump sum, dependent on the employee's reckonable service at the date of termination of employment. The lump sum will be calculated on the basis of one month's pay for each complete year of reckonable service subject to a minimum of two years' (104 weeks') continuous service and a maximum of 24 years' reckonable service being counted.

Fractions of a year of reckonable service will not be taken into account.

Early retirement on grounds of redundancy for employees entitled to pension benefits

Qualification criteria

Members of the NHS Pension Scheme who are made redundant and meet the conditions set out above, may choose to retire early without reduction in the value of pension benefits as an alternative to receiving the full lump sum benefit.

To qualify for early retirement the member of staff must:

- be a member of the NHS Pension Scheme
- have at least two years' continuous service and two years' qualifying membership
- have reached the minimum pension age. The Finance Act 2004 allows for protection of a minimum pension age of 50 for members who had

the right to take reduced benefits at that age on 5 April 2006. This protection may continue as long as members retiring early after 6 April 2010 take all their benefits payable under scheme rules. In the NHS Pension Scheme, for those without this protection, members who first joined and some who returned to the scheme after 6 April 2006, minimum pension age will change from 50 to 55 from 6 April 2010.

Definition of qualifying membership

'Qualifying membership' is membership that counts towards entitlement for benefits. Pensionable membership is membership that counts when benefits are calculated. This may be different from reckonable service for the purposes of a redundancy payment as it can include pensionable service from previous periods of employment with the NHS or another employer and periods of part-time working.

Use of redundancy payment to pay for early retirement

If the redundant member of staff chooses to take early retirement with an unreduced pension under these arrangements, they will receive immediately the full value of their qualifying pension benefits at the point of redundancy without the actuarial reduction that would occur with voluntary early retirement. Their employer will pay the relevant NHS pension scheme a sum equivalent to the capitalised cost of paying the pension and lump sum early; either as one payment or in five instalments.

This sum will be paid from the lump sum redundancy payment that otherwise would have been paid to the employee. If the cost to the employer of paying by single payment for early retirement is less than the value of the redundancy payment that the member would have received, then the redundant employee will also receive from the employer a redundancy payment equivalent to the difference between the two sums. The cost to the employer would therefore normally be the same as if the employee had chosen to take a redundancy payment without unreduced early retirement. However, if the cost of early retirement is more than the redundancy payment due, the employer will pay the additional cost. If the employer chooses to pay in five instalments, the employer is responsible for the additional interest charge.

Treatment of concurrent pensionable employment

Where there is concurrent pensionable employment, members may choose between:

- ceasing all pensionable employment and taking early retirement on the terms set out below in respect of each employment, in which case they cannot be pensionable again in the current scheme (normal pension age of 60). (An employment may continue if it is not more than 16 hours a week, without affecting the payment of enhanced benefits, but it will not be pensionable in the scheme) and
- taking benefits only in respect of the employment that is being terminated, in which case they can continue being pensionable in

other employments. After 6 April 2010 this will not apply if taking benefits under the age of 55

- members with concurrent practitioner and non-practitioner employments, who choose to cease all pensionable employments, will receive only their non-practitioner benefits on redundancy grounds. Where appropriate, benefits for practitioner membership may be taken on an early retirement basis with an actuarial reduction or preserved for payment at age 60

The employer who authorises early retirement will be responsible for the pension costs accruing from other terminating employment. If a member returns to work after taking their pension, their pension will be abated, if the combined value of their pension and salary is greater than they earned prior to retirement. This will continue until they reach their normal pension age.

Exclusion from eligibility

Employees shall not be entitled to redundancy payments or early retirement on grounds of redundancy if:

- they are dismissed for reasons of misconduct, with or without notice; or
- at the date of the termination of the contract have obtained without a break, or with a break not exceeding four weeks, suitable alternative employment with the same or another NHS employer; or
- unreasonably refuse to accept or apply for suitable alternative employment with the same or another NHS employer; or
- leave their employment before expiry of notice, except if they are being released early; or
- are offered a renewal of contract (with the substitution of the new employer for the previous NHS one)
- where their employment is transferred to another public service employer who is not an NHS employer.

Claim for redundancy payment

Claims for redundancy payment or retirement on grounds of redundancy must be submitted within six months of date of termination of employment.

Before payment is made the employee will certify that:

- they had not obtained, been offered or unreasonably refused to apply for or accept suitable alternative health service employment within four weeks of the termination date

- they understand that payment is made only on this condition and undertake to refund it if this condition is not satisfied.

Retrospective pay awards

If a retrospective pay award is notified after the date of termination of employment, then the redundancy payment and/or pension will be recalculated, and any arrears due paid.

Disputes

An employee who disagrees with the employer's calculation of the amount of redundancy payment or the rejection of a claim for redundancy payment should make representations to the employer via local grievance procedures.

Early retirement in the interests of the efficiency of the service

Members of the NHS Pension Scheme will receive payment of benefits without reduction if they retire early in the interests of the efficiency of the service, and they satisfy the qualifying conditions.

Retiring early in the interests of the service is a flexibility available at employer discretion. In these cases, no redundancy payment is due. In agreeing to retirement in the interests of the service, the employer undertakes to pay the costs of paying the pension and lump sum early.

These arrangements are aimed at employees who have given valuable NHS service in the past but are no longer capable of doing so. This might be because of new or expanded duties or a decline in the ability to perform existing duties efficiently but not so as to qualify them for ill health retirement. Employers would be expected to consider alternatives before agreeing to early retirement.

The relevant NHS pension scheme certifies the grounds on which early retirement is taking place. The scheme does so on the basis of the information provided by the employer. In each case, therefore, an appropriate senior manager should authorise the early retirement, ensuring that the relevant criteria have been met.

Transitional arrangements: 1 October 2006 to 30 September 2011

There will be transitional arrangements in place from 1 December 2006 to 30 September 2011. These transitional arrangements apply to staff:

- whose continuous NHS service and/or Pension Scheme membership began before 1 October 2006
- who are aged over 50 on 30 September 2006 or who reach 50 during the transition period: 1 October until 30 September 2011; (after 6 April 2010 subject to the rules on minimum pension age set out in

paragraph 10)

- who are members of the NHS Pension Scheme and have at least five years' qualifying membership in the scheme at the date of redundancy.

Employees who are made redundant and qualify for transitional protection can choose between a redundancy payment under the new arrangements and payment under transitional protection. The transitional arrangements for early retirement (but not the redundancy payment) will also apply to staff given early retirement in the interests of the service and who meet the qualifying conditions.

Transitional protection has two phases. The first phase applies from 1 December 2006 to 30 June 2007. During this phase the maximum pension that an employee can receive on taking redundancy retirement is that to which they would have been entitled had they been made redundant under the old agreement on 30 September 2006.

The second phase is from 1 July 2007 to 30 September 2011. During this phase, as well as freezing the maximum enhanced pension at that which would have been available on 30 September 2006, there will be a further reduction so that all enhancements are removed by 30 September 2011.

The date used to calculate the level of both final pensionable pay and of salary for redundancy payment under the transition will be set by reference to the actual date of redundancy.

Calculation of baseline entitlement during transition

For employees taking advantage of the transitional arrangements, and subject to a maximum of 20 years' reckonable service being counted, the lump sum redundancy payment will be calculated based on the arrangements in place before 1 October 2006 as follows. Based on service at 30 September 2006:

- 1½ weeks' pay for each complete year of reckonable service at age 41 or over
- one week's pay for each complete year of reckonable service at age 22 or over but under 41
- ½ week's pay for each complete year of reckonable service at age 18 or over but under 22
- overall maximum 30 weeks' pay.

Fractions of a year of reckonable service will not be taken into account except that they may be aggregated to make complete years. The lowest weeks' pay multiplier relevant to the employee's calculation will apply to the complete year aggregated.

Reduction to baseline entitlement

Redundant employees who are entitled to an enhancement of their pension benefits on ceasing to be employed will, if the enhancement of service if they had been made redundant on 30 September 2006 is less than ten years, be entitled to receive a redundancy payment. Where the enhancement of service does not exceed 6 ²/₃ years they will be paid in full; where the enhancement of service exceeds 6 ²/₃ years they will be reduced by 30 per cent in respect of each year of enhanced service over 6 ²/₃ years with pro-rata reduction for part years.

The redundancy payment made under these transitional arrangements will be based on the number of weeks' service applicable for a redundancy on 30 September 2006 along with the reduction for enhancement greater than 6 ²/₃ years that would have been made had the redundancy taken place on that date. If there has been a break in continuous service between 1 October 2006 and the date of redundancy, then the payment would be based on the number of years' continuous service at the date of redundancy.

As a baseline calculation for transitional protection all employees eligible for premature payment of pension and compensation benefits under the terms of this agreement on transition shall have their reckonable years in the NHS scheme at 30 September 2006 doubled, subject to a maximum enhancement of ten added years. Total reckonable years (including enhancements) will in all cases be limited to the lesser of:

- the total reckonable service that would have been attained by continuing in service to retirement age; or
- 40 years; provided that:
- the enhancement of reckonable service for employees with relevant optant service shall be based on the aggregate of their reckonable NHS service and their relevant optant service.

Transition Phase One: 1 October 2006 to 30 June 2007

For redundancies from 1 October 2006 until 1 December 2006, when the regulations to give effect to the transition are introduced, employees will receive enhanced pension based on the pre 1 October arrangements, including the calculation of redundancy payment.

From 1 December 2006 to 30 June 2007, the enhancement that the employee will be eligible to receive will be the enhancement on which the pension would have been based had they been made redundant on 30 September 2006, less the number of days since 30 September 2006. For those who have any part-time membership, the reduction in enhancement will be scaled down according to the scaling factor applicable at 30 September 2006.

Transition Phase Two: 1 July 2007 to 30 September 2011

During this phase, maximum enhancement available to the employee made redundant will continue to be the enhancement available on 30 September 2006 less the number of days since 30 September 2006. There will be a further reduction in entitlement to enhancement. For those whose enhancement on 30 September 2006 would have been greater than five years, the additional amount of service enhancement over five years should be reduced by $1/60^{\text{th}}$ for each whole month that has elapsed between 30 September 2006 and the date of redundancy. The effect of the two transition elements together is that after each year of transition, the maximum enhancement would be reduced by two years until no enhancement is available from 1 October 2011.

THE NEWCASTLE UPON TYNE HOSPITALS NHS FOUNDATION TRUST

**ARRANGEMENTS FOR PROTECTION OF PAY
AND CONDITIONS OF SERVICE**

1. Introduction

These arrangements apply to any employee who as a consequence of organisational change,

- is required by the Trust to move to a new post , or
- who suffers a permanent reduction in working hours (which results in a reduction in earnings) worked within the standard working week.

This arrangement does not apply to employees who request a move, or who are moved because of unsatisfactory work performance, health grounds, as a disciplinary measure.

2. Definitions

2.1 Organisational Change/Redundancy

A change promulgated by the Trust to the organisation of its services which affects the banding and/or earnings of employees.

2.2 Basic Salary

The monthly sum due in respect of contracted basic hours worked within the standard working week on the day immediately preceding the first day of employment in the new post. It would also include any distinction awards for as long as these were due within the protection period.

(Any payments made on a temporary basis, for example, acting allowance are excluded).

2.3 Earnings

Remuneration received from contracted earnings in respect of the following:

- a) Unsocial hours
- b) On-call availability (earnings from on-call work done are excluded)
- c) Contractual overtime
- d) Recruitment and Retention Premia (RRP)

Protected earnings will be calculated as a monthly average over the 3 months immediately preceding the first day of employment in the new post.

2.4 Mark-time

Protected basic salary and/or earnings will be 'frozen' and not subject to increase during the period of protection (for example, due to incremental progression and/or cost of living uplift).

2.5 Lower banded post

One where the salary maximum of one post is lower than the salary maximum of another.

3. Protection of Earnings

3.1 Earnings protection will be calculated as a monthly average of the earnings received in the 3-month period immediately preceding the day on which an organisational change takes effect, and will be paid on a mark-time basis in accordance with the following table:

<u>Continuous Service in the NHS</u> (completed years)	<u>Protected Period</u> (months)
1 - 2 years	3 months
3 – 5 years	6 months
6 -9 years	9 months
10 years +	12 months

3.2 Earnings protection will continue until:

- a) the period of protection expires, OR
- b) if prior to the end of the protected period:
 - the employee leaves the employment of the Trust
 - the employee is appointed to a post where earnings are equal to or exceed the protected earnings
 - the employee voluntarily moves to a lower paid post
 - the incremental scale on the new band exceeds protection

4. Protection of Basic Salary and Other Terms Where Down Banding is Involved

4.1 An employee who – as an alternative to redundancy – is offered a lower banded post will receive protection of their basic salary in accordance with the table below:

<u>Continuous Service in the NHS</u> (completed years)	<u>Protected Period</u> (months)
1 - 2 years	4 months
3 - 5 years	12 months
6 - 9 years	18 months
10 years +	24 months

4.2 The following terms will also be protected (where applicable) during the period of protection:

- a) subsistence and travelling allowance
- b) period of notice

At the end of protection, terms applicable in the new post will apply.

4.3 Protection of basic salary and the applicable terms will continue until:

- a) the end of the protection period, or
- b) the employee is appointed to a post in which the normal basic salary is equal to or greater than the employee's salary plus protection in the post to which they were transferred, or
- c) the employee voluntarily moves to a lower banded post, or
- d) the employee leaves the employment of the Trust, or
- e) the employee refuses to accept or apply for suitable alternative employment within the Trust without an acceptable reason

5. Conditions of Protection

5.1. Basic salary and earnings protection are conditional upon an employee undertaking any overtime, shift work or other additional duties that may be required to meet the exigencies of the service.

5.2 Basic salary and earnings protection will be offset against basic salary and earnings in the new post, including earnings from overtime, shift work or other additional duties that may have been worked. In any month during the period of protection where basic salary and earnings in the new post exceed protection, protection will not be paid.

5.3 An employee in receipt of excess travel reimbursement must inform their manager of any change of address immediately. Should the new address reduce the amount of excess travel, then the employee must reduce their claim for reimbursement accordingly. Should the new address increase the amount of excess travel, reimbursement must only be claimed at the rate applicable from the old address. Failure to make a claim correctly will be regarded as a serious offence and will be dealt with in accordance with the Disciplinary Procedure. In circumstances where the employee chooses to apply for a new post during the period of protection the entitlement to excess mileage will automatically cease.

THE NEWCASTLE UPON TYNE HOSPITALS NHS FOUNDATION TRUST
IMPACT ASSESSMENT – SCREENING FORM A

This form must be completed and attached to any procedural document when submitted to the appropriate committee for consideration and approval.

Policy Title:	Organisational Change and Redundancy Policy	Policy Author:	Ms Karen Pearce, Senior HR Manager (Projects)
		Yes/No?	You must provide evidence to support your response:
1.	Does the policy/guidance affect one group less or more favourably than another on the basis of the following: (* denotes protected characteristics under the Equality Act 2010)		Policy applies to all employees of the Trust. It is underpinned by the Trust's overriding policy on equal opportunities
	• Race *)
	• Ethnic origins (including gypsies and travellers))
	• Nationality)
	• Gender *) see above
	• Culture)
	• Religion or belief *)
	• Sexual orientation including lesbian, gay and bisexual people *)
	• Age *)
	• Disability – learning difficulties, physical disability, sensory impairment and mental health problems *)
	• Gender reassignment *)
	• Marriage and civil partnership *)
2.	Is there any evidence that some groups are affected differently?		There is no evidence to support any group was affected differently (see above)
3.	If you have identified potential discrimination which can include associative discrimination i.e. direct discrimination against someone because they associate with another person who possesses a protected characteristic, are any exceptions valid, legal and/or justifiable?		n/a
4(a).	Is the impact of the policy/guidance likely to be negative? (If "yes", please answer sections 4(b) to 4(d)).		No
4(b).	If so can the impact be avoided?		n/a
4(c).	What alternatives are there to achieving the policy/guidance without the impact?		n/a
4(d)	Can we reduce the impact by taking different action?		n/a

Comments:	Action Plan due (or Not Applicable):
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Name and Designation of Person responsible for completion of this form: Ms Karen PearceDate: ..26 October 2011

Names & Designations of those involved in the impact assessment screening process:..... Employment Polices and Procedures Consultation Group

..(If any reader of this procedural document identifies a potential discriminatory impact that has not been identified on this form, please refer to the Policy Author identified above, together with any suggestions for the actions required to avoid/reduce this impact.)

For advice on answering the above questions please contact Frances Blackburn, Head of Nursing, Freeman/Walkergate, or, Christine Holland, Senior HR Manager. On completion this form must be forwarded electronically to Steven Stoker, Clinical Effectiveness Manager, (Ext. 24963) steven.stoker@nuth.nhs.uk together with the procedural document. If you have identified a potential discriminatory impact of this procedural document, please ensure that you arrange for a full consultation, with relevant stakeholders, to complete a Full Impact Assessment (Form B) and to develop an Action Plan to avoid/reduce this impact; both Form B and the Action Plan should also be sent electronically to Steven Stoker within six weeks of the completion of this form.