Redundancy policy

**Introduction**

Due to changes in the economic or technological environment or, alternatively, business related reasons, the Organisation may need to reduce the number of its employees. In these unfortunate circumstances there may be a requirement for employee redundancies and changes to the organisational structure.

In the event that redundancies are considered unavoidable, the Organisation will first ensure it explores all other alternatives, including redeployment. The Organisation will endeavour to support all employees throughout this process.

This policy sets out the Organisation’s approach to conducting a redundancy exercise. The Organisation will always aim to avoid redundancies in the first instance. However, where they are unavoidable, it is the aim of the Organisation to keep the impact of such change to a minimum.

The Organisation is committed to keeping employees consulted throughout any redundancy process and to provide support through what can be a distressing time.

The Organisation is aware of the statutory obligations in respect of redundancies provided for by the following pieces of legislation:

* Equality Act 2010
* Employment Rights Act 1996
* Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002 and
* Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000.

This policy applies to all Organisation employees.

This policy does not make up part of an employee’s contractual terms and conditions (see Employee Handbook, section [insert section]).

**Alternatives to redundancy**

Prior to confirming any redundancies, the Organisation will take steps to explore all other alternatives that are suitable to maintain the needs of the business.

The particular measures to be taken will depend on the exact circumstances at the time a decision is made. However, the following represents measures which will be explored:

* reduction or cessation of the use of temporary/agency staff
* freezing or reducing external recruitment
* banning or restricting overtime hours
* short-time working or temporary lay-offs
* flexible working hours/days
* redeployment of employees to other suitable alternative work
* restriction on internal recruitment
* seeking agreement for reductions in employee pay
* “bumping” and
* volunteers for redundancy (see below).

**Voluntary redundancy**

When a redundancy exercise is proposed, the Organisation may take the initial step of inviting applications for voluntary redundancy for a restricted period of time.

The final decision on accepting a voluntary redundancy application will be made by the Organisation and employees must be aware that volunteering for redundancy will not necessarily lead to an approval of that application. The Organisation may deem that the volunteer’s skills and capabilities are such that it would be detrimental to the Organisation’s future prospects if they were no longer available. In these circumstances, the application is likely to be denied.

Any acceptance of an application for voluntary redundancy will be confirmed in writing and the individual invited to a meeting to discuss arrangements for the termination of their employment, including any entitlement to redundancy pay which may or may not include an entitlement to enhanced redundancy pay.

**Consultation and information**

Scenario 1: There are one or more recognised trade unions

The Organisation will engage in meaningful consultation with [insert name(s) of relevant union(s)] to discuss the proposed redundancies.

Minimum consultation periods for large redundancies are prescribed in law, as follows:

* a minimum of 30 days’ consultation where between 20 and 99 proposed redundancies are to take place at one establishment over a 90 day period or
* a minimum of 45 days’ consultation where 100 or more proposed redundancies are to take place at one establishment.

A thorough consultation process will take place which will include both group and individual consultation.

Scenario 2: There are existing (elected/appointed) employee representatives

A process of meaningful consultation will take place between the Organisation and [insert the name of the relevant appropriate employee forum(s)] to discuss the proposed redundancies in line with the timescales outlined in the scenario (1) above.

A process of individual consultation will also take place where necessary.

Scenario 3: There are no employee representatives

A secret ballot will be held in order to elect employee representatives to take part in consultation with the Organisation where 20 or more redundancies are proposed to take place at one establishment within a 90 day period. The Organisation will appoint employee representatives if, subsequent to the ballot, there is an insufficient amount of elected representatives.

A process of individual consultation will also take place where necessary.

Consultation and information

The Organisation is committed to the full involvement of employees and their representatives throughout any redundancy exercise and sufficient time will be allocated to ensure consultation is meaningful. To this end, the Organisation will engage with trade union/employee representatives to analyse any proposals submitted. The Organisation will ensure, wherever possible, these submissions are incorporated into the process of handling the prospective redundancies.

During the period of consultation the following information will be outlined:

* the business reason(s) for the proposed redundancies
* the outline and specifics of those effected including numbers of employees and divisions
* the methods that are being suggested to appoint those to be made redundant
* the methods that are being suggested to conduct the proposed redundancies
* the time frame in which the redundancy dismissals will occur
* suggested proposals for formulating redundancy payments, in the event of non-statutory payments being made
* the volume and usage of agency workers working with the organisation
* areas of the business in which agency workers are relied upon and used
* the nature of work conducted by the agency workers.

Individual consultation

A period of individual consultation will be conducted for those employees who have been highlighted as “at risk” of redundancy. During this consultation, the employee will be informed of the Organisation’s proposed approach to the redundancy including selection criteria to be applied.

When an employee has been selected for redundancy, they will be informed of this and will have the opportunity to explore the reasons for the selection. Only after the employee has had the opportunity to do this will final decisions be made on who is to be made redundant.

[Insert if applicable] In the event that notice of termination is served, the employee will be invited to discuss the decision with their manager. During this meeting the employee is to be notified of the timescales of termination in addition to any redundancy payment that may be available.

**Redundancy selection**

The organisation will always endeavour to use a comprehensive and fair selection criteria. However it should be noted that the Organisation reserves the right to adjust its criteria to suit the circumstances leading to the proposed redundancy.

[Insert if applicable] Trade union/employee representatives will be given the opportunity to contribute their views regarding the selection criteria, as will the employees involved.

**Alternative work**

In an attempt to avoid redundancies, [insert Organisation name] will ensure that action is taken to seek alternative employment options for employees who have been notified of their redundancy until the point of termination. Existing vacancies in the business will be outlined and be subject to discussion with the employees concerned. For this purpose, further meetings may be arranged between the employee and their line manager. If a role is found to be suitable and an offer presented, a trial period of four weeks will apply.

If, during the trial period, the alternative vacancy is deemed unsuitable then the employee’s employment will be terminated upon conclusion of the trial period. The employee’s entitlement to a statutory redundancy payment will not be affected by this decision. In the event that further suitable alternative work is found, the employee will again undertake a trial period of four weeks in that role. The trial period may be extended if extra training needs are identified.

The employee loses their entitlement to a statutory redundancy payment upon an unreasonable refusal of a suitable alternative role. The same will apply in the event that the employee, having taken up the offer of the suitable alternative role, then resigns before the end of the trial period.

Employees who are on maternity, paternity, adoption or shared parental leave will be given preference over other employees in the search for suitable alternative vacancies.

Where there is more than one suitable applicant for a vacancy, the Organisation reserves the right to introduce a selection process akin to those used in a normal recruitment process, to allow for fair selection of the most suitable applicant.

Vacancies will, in the first instance, be “ring-fencing” for internal recruitment only.

**Time-off to look for work/undergo training**

If a notice of redundancy dismissal is served, those employees with at least two years’ continuous service will be allowed time off work to seek other employment. A reasonable amount of time off will be granted for the purpose of attendance at interviews and participating in training for other form of employment. Any time off should be discussed with the employee’s relevant manager prior to being arranged.

**Support for redundant employees**

The Organisation acknowledges the important role it plays in the provision of support to employees during the redundancy process, and will endeavour to provide that support where possible. Consideration may be given to employee requests for further needs such as training and additional education, however, requests will be assessed on an individual basis.

**[Optional] Outplacement support**

The Organisation will endeavour to offer outplacement support following dismissal for redundancy. This may be provided either by in-house expertise or an appropriate external provider, depending on the available resources at the time of the redundancy.

However, the Organisation is not able to guarantee the offer of outplacement support.

**Statutory redundancy payments**

A statutory redundancy payment will be payable to those employees with a minimum of two years’ continuous service with the Organisation. This redundancy payment is formulated based on an employee’s age, length of service and final gross weekly pay. This final gross weekly pay is subject to the statutory maximum at the time of the redundancy dismissal.

**Notice and termination of employment**

Normally, employees will be required to work during their redundancy notice period, however, the Organisation reserves the right to make a payment in lieu of notice (PILON). In these circumstances the Organisation may consider a request from an employee to reduce their contractual notice period or the employee may provide a counter notice in line with statutory provisions. In the case of the latter, the Organisation will normally accept a counter notice unless exceptional circumstances apply.